

The Association for Diplomatic Studies and Training
Foreign Affairs Oral History Program
Foreign Assistance Series

MARK SILVERMAN

*Interviewed by: Marcia Bernbaum
Initial Interview Date: December 11, 2023
Copyright 2024 ADST*

This oral history transcription was made possible through support provided by U.S. Agency for International Development, under terms of Fixed Amount Award No. 7200AA21FA00043. The opinions expressed herein are those of the interviewee and do not necessarily reflect the views of the U.S. Agency for International Development or the Association for Diplomatic Studies and Training.

TABLE OF CONTENTS

Background	
Born in Boston, Massachusetts	1947
Move from Boston to Los Angeles	1953
BS in Business Administration, San Fernando Valley State	1966-1969
MA in International Affairs, Ohio University	1975-1976
Service in California Air National Guard	1965-1971
Corporate loan officer, Security Pacific National Bank	1970-1971
World travels	1971-1972
Peace Corps Volunteer in Afghanistan	1973-1974
Entered the Foreign Service	1976
Washington D.C.	
Kabul, Afghanistan—International Development Intern	1977-1979
Capital Development & Engineering work	
Project design and monitoring	
China visit	
Coup d'Etat and its impact on USAID program	
U.S. Ambassador assassinated	1979
Cairo, Egypt—Capital Development officer-infrastructure	1979-1982

\$500 million electric power project portfolio
 Policy reform work on electricity pricing
 USAID nominee William A Jump Award for Excellence
 in public administration

Cairo, Egypt—Division chief, Industrial Resources office 1982-1983

Washington D.C.— Spanish language training 1984

Lima, Peru—Deputy and Director of Development Resources 1984-1988
 El Nino flooding and drought situation
 Disaster recovery and reconstruction program
 Impact of President Garcia’s debt decisions
 Analysis of debt challenge and a way forward
 Worsening of security situation and martial law
 Expanded role- new special projects division to address drug issues
 Acting Deputy Director and multiyear food aid agreement
 New Ambassador and new USAID Director

Washington D.C.—South America Finance chief, LAC/DR 1988-1989
 Role of Washington program and project reviews
 Arrival of Ambassador Jim Michel
 Advanced developing country program policy changes

Washington D.C.—Central America Finance chief, LAC/DR 1989-1992
 Success of Trade Credit Insurance Program
 Panama program challenges and a new way forward
 Design and negotiation of emergency program for Panama
 Support for new Nicaragua program
 Central America 2000 strategy
 EL Salvador peace and national recovery program

Managua, Nicaragua—Deputy and Acting Mission Director 1992-1997
 Ramping up program and stabilizing economy
 Mark Schneider and his vision
 Sandinista pinata and the property issue
 Atlantic Coast infrastructure program success
 Ambassador Maisto and staffing conflict with USAID/W
 Extended time as Acting Director
 Arrival of George Carner and mission reorganization
 Reactivating agriculture for small producers
 Staff reductions and new management system
 Congressional holds and USAID work on property issue
 Promoting democracy reforms including elections

Cairo, Egypt—Associate Director, Environment and Infrastructure 1997-2001

Bombings of embassies in Africa and USAID Cairo relocation
 Acting Deputy Director and finding office space for 350 employees
 Policy focus of infrastructure program
 Gore-Mubarak environmental policy dialogue
 Ministry of Environment support to improve environmental management
 Ambassador Kurtzer and USAID work to preserve cultural resources
 Improving quality of infrastructure services and engagement with private sector
 Twenty fifth anniversary of USAID assistance to Egypt

San Salvador, El Salvador—USAID Director and Acting DCM 2001-2006
 Significance of 2001 earthquakes
 Earthquake reconstruction program response and funding issues
 Community policing authority, funding and legislative fix
 USAID targeted assistance in support of trade opportunities
 Regional platform moves to El Salvador
 Acting DCM and Charge for extended period
 El Salvador and regional program plan for Central America
 Helping El Salvador qualify for Millenium Challenge assistance

Washington D.C.—Senior Deputy Assistant Administrator LAC 2006-2007
 Foreign assistance reform process
 First integrated State-USAID budget developed
 New interagency coordination- Colombia and Western Hemisphere initiatives
 Preparations to help AA/LAC designate with Senate confirmation

Retirement from USAID 12/2007

Short term assignments

Consultant to USAID Bogota 2008
 Acting Deputy Director, USAID Bogota 2008
 Deputy Assistant Administrator, Economic Growth Agriculture
 and Trade Bureau [EGAT] 2008-2009
 Acting Director, USAID Quito 2010
 Acting Director Program and Policy, Democracy, Conflict
 and Humanitarian Assistance bureau [DCHA] 2010
 Acting Director, USAID Panama 2011
 Senior advisor, Policy, Planning and Learning Bureau 2012
 Senior advisor, Middle East Bureau and Acting Director,
 USAID Cairo 2013
 Senior advisor to USAID Cairo 2014-2015

INTERVIEW

Q: Today is December 11, 2023. This is our first interview with Mark Silverman. Welcome. Today I believe you will be giving us the background of your life up until the point where you joined AID and right before that served as a Peace Corp volunteer. So please go ahead.

SILVERMAN: Thank you, Marcy. I was born in Boston, Massachusetts in 1947. I lived there for about five- and one-half years and then my parents decided to go to the far west. Imagine my parents, my older brother and me as well as my maternal grandparents crowded into a 1947 Chevrolet heading to California with hope for new opportunities. This turned out to be a terrific nine-day road trip, from sea to shining sea. We stopped in many small towns across the country and as a five-year-old I had quite an experience staying in motels, eating in restaurants and enjoying the beautiful scenery along the way. We even watched a rodeo in Oklahoma. Arriving in Southern California in the summer of 1953 we spent several months with my mother's family in the San Fernando Valley, close to Los Angeles while my father started the process of looking for a job and planning for where we would eventually live.

My father went to work at Douglas Aircraft near the Los Angeles International airport as a tool and die maker and the family settled into an apartment in Baldwin Hills, a suburb of Los Angeles. We moved into a middle-class neighborhood with many apartment buildings. My grandparents moved into an apartment building a block from us. After about eight years my parents were able to purchase a detached home in Van Nuys, in the San Fernando Valley, which was about 20 miles northwest of Los Angeles. With the move my father found a new job as a route salesman with a uniform supply company and stayed in that position until he retired.

I attended Robert Fulton junior high school and during that time I was introduced to the world by an outstanding social studies teacher, a Hungarian American named Mr. Novotny. He introduced me to the world of geography, and to international travel through exciting slide presentations while describing real life experiences living behind the Iron Curtain. After junior high school I attended Van Nuys high, purchased my first car, a 1960 Chevy Bel Air, lettered in JV football and happily graduated in June 1965.

My older brother had enlisted in the California Air National Guard in 1964 and in 1965, rather than entering the draft, I enlisted in the California Air National Guard for six years. In August 1965 I was sent to Lackland Air Force Base in San Antonio, Texas for six weeks of basic training followed by three and a half months of advanced training at Amarillo Air Force base in the Texas panhandle. It was in the military in Texas where I encountered a part of America I had not experienced before. Yes, I lived in Southern California but not in the nation's south. I trained alongside some enlisted men in basic training who held racist and antisemitic views, and frankly I was shocked and a little

intimidated by what I found to be outrageous behavior. It was quite a wakeup call for this seventeen-year-old California kid. During my advanced training in Amarillo, we had time off during the weekends and headed into Amarillo city to chill out. On weekend nights we saw cars cruising down the main streets flying the Confederate flag while playing Dixie loudly, almost 100 years after the end of the civil war! Seeing a darker side of America provided me with an introduction to some of the issues we see today. While my high school friends were partying and spending time at beaches in Southern California I was locked into a rigorous military lifestyle in the heart of Texas. During this life experience I picked up several new life skills: how to eat breakfast in ten minutes; how to make a bed so tight that it would pass any inspection; and how to iron clothes and to really polish shoes.

Completing my active duty at Christmas time I returned to Southern California and for the next five- and one-half years attended California Air National Guard meetings one weekend a month and participated in two-week encampments each summer. One experience I won't forget was during a two-week mock deployment we were captured by the "enemy" and then subjected to harassment and interrogated by "enemy officers" and it wasn't pretty. They were U.S. Army interrogators who gave us a sense of what life might be like to be captured by the enemy; fortunately for us it was only a training operation.

In early 1966 I enrolled at San Fernando Valley State College, Northridge (which later became California State University Northridge) to study business administration. I took heavy class loads and went to summer schools to complete my bachelor's degree by the summer of 1969. I thought about working at a financial institution in portfolio management and so I entered graduate school in the master's program in finance while I had a job selling shoes to pay for my studies. I was the second member of my extended family to graduate from college.

In early 1970 I landed a management position with Security Pacific National Bank, then the second largest bank in California, while working on my graduate degree at night. After a year of long workdays at the bank (once I completed a six-month management training program, I became a corporate loan officer) and graduate school at night, I concluded that a graduate degree in finance wasn't for me. I worked at the bank for two years in branch management and retail finance which introduced me to certain basic financial concepts I have used over and over since that time. One obvious fact that may seem basic to some is, "Don't spend more than you have". Simple for me but not so simple for some of my customers. Another was that personal finance skills weren't like rocket science and having sound basic financial skills could protect your financial future.

As a loan officer, I worked with customers looking for additional resources- whether through seeking credit cards or borrowing money to purchase vehicles or homes or with small businesses seeking additional capital. When lending money a loan officer had to determine whether the individual or business had the ability and the willingness to pay back the resources borrowed. I worked at a large branch in downtown Los Angeles which was located in a prosperous area. I had clients who had good jobs and earned good

incomes but had problems managing their resources and were often overextended. I was also responsible for the consumer lending portfolio which introduced me to customers borrowing money to purchase vehicles or those customers wanting to make other big purchases but lacked the resources. Unfortunately, some of these folks came up short on meeting their obligations. Some customers promised to get back on payment schedules and succeeded in doing so while others made promises but didn't fulfill their obligations requiring me to send their loans to our collection department. Working at a large bank with personal and business customers was an interesting experience and I learned a lot about personal finance which I have shared with family and friends over many years-learn to manage your finances appropriately and don't overextend yourself. Live up to your commitments. Develop sound skills in basic consumer finance and be careful before acquiring debt. I think these concepts should apply to individuals, organizations and yes even national governments.

In the summer of 1971, I completed my service with the Air National Guard and was honorably discharged. I wanted to travel internationally but couldn't leave the country during the 1965-1971 period. I planned and budgeted funds for my first international trip with my roommate who was going to purchase a Volkswagen mobile and together we planned to camp across Europe. At the last minute he dropped out of the trip plan and so I decided to travel on my own carrying a small suitcase and a day pack. I requested a six month leave of absence from Security Pacific and a senior vice president invited me to his club for lunch to talk over the request. He told me that while the company valued my service and wanted me to stay and make a career in banking, he was only able to approve a three month leave of absence. I decided to resign from the bank to travel with few restrictions and that I did, purchasing an air ticket from Pan American Airways that was valid for a year, from Los Angeles to London with a return to Los Angeles from Paris. My parents thought that I had lost my mind by leaving a good job to travel but it was what I wanted to do.

My plan was to travel overland, by train and by hitchhiking where possible and I had budgeted adequately for seven months to cover costs, carrying with me Harvard's Let Go to Europe guide on five dollars a day. In the fall of 1971, I flew to London and spent four months traveling through England, Belgium, the Netherlands, France, Andorra, Spain, Morocco, Italy, and then Greece. I wasn't alone very much, and it was a wonderful experience that introduced me to many cultures, languages, customs and cuisine. I met interesting people along the way and lived my travel dream on my own schedule. After months on the road and with the weather getting colder, I flew from Athens to Tel Aviv and spent almost six months on an Israeli kibbutz. It was there that I met Andrea, who became the love of my life.

Q: Can I ask you what kibbutz you were on?

SILVERMAN: Certainly, Givat Haim Ihud which was in the center of the country near Hadera.

Q: OK, what year was this?

SILVERMAN: Late 1971 into 1972.

Q: So, in the summer of 1970 I spent a month in a kibbutz called Mefalsim which was near Gaza which had been found by Argentines Jews who were fleeing the Nazis. It was a wonderful experience. Tell me about the Kibbutz experience and how that might have influenced anything you ended up doing in AID?

SILVERMAN: It had an influence on my life, and I will talk about that in a bit. As I said I met many interesting people during my travels however one of the most important was an Austrian I encountered on the way to Athens who spent a month as a volunteer at a kibbutz and he was quite positive about the experience. After several weeks relaxing on the Island of Crete I decided to leave Greece and fly from Athens to Tel Aviv. I wanted to find the Ihud Federation headquarters in Tel Aviv (the Austrian recommended it) to look for an opportunity to live, work and study on a kibbutz. At the headquarters building I had an interesting interview and briefing from the federation representative who seemed impressed with my background and who wrote a letter of introduction and recommendation in Hebrew and sent me to Kibbutz Givat Haim Ihud to join their ulpan. The Ulpan was a six-month intensive program to learn Hebrew and study the history and culture of Israel and was used to integrate new immigrants into Israeli society, especially the large number of immigrants from the Soviet Union, North Africa and the Middle East. I wasn't planning on becoming an immigrant, but I thought the program would offer interesting learning and living opportunities since I would be able to study Hebrew, learn about the kibbutz and work the other half of the day in the fields or in other needed jobs. In return the kibbutz provided lodging, meals, clothing and cleaning services. Givat Haim was a prosperous kibbutz that produced fruits, vegetables and turkeys and I believed they shared ownership of agricultural processing facilities with another kibbutz.

The following day I took a bus to Hadera which was approximately thirty miles north of Tel Aviv and then walked for thirty minutes to the kibbutz where I met the administrator of the ulpan and handed him my letter of introduction. Not only were there Russians but also Europeans and other Americans studying and working there. After a brief discussion the administrator took me to my new quarters where I was going to share a room with an Englishman from Liverpool, who loved rock music, and a guitar playing American from San Diego.

The experience was enriching, and I learned a great deal about Israeli society, the Hebrew language, the functioning of a kibbutz and the motivation of many from other cultures to be in Israel. I was "adopted" by a kibbutz couple who would have me over for tea and discussion occasionally, and I would learn about how the kibbutz functioned from its members, including various types of jobs, child rearing practices and education of their children and have a great chance to practice my Hebrew. I first worked in the fruit orchards picking oranges which while physically invigorating it didn't do much for the mind and then I supported the dining facility (which fed about 1,000 people per meal) operating a commercial dishwasher. I was also selected to be the work manager and had to schedule all the ulpan students with their work assignments. What really fascinated

me living on the kibbutz was the variety of languages I encountered, German, Spanish, Dutch, Russian and some English. You have no idea how interesting it was to work alongside and to speak to a Russian in Hebrew as he/she couldn't speak English, and Hebrew was the only common language between us.

The significance of my kibbutz experience relates to my meeting Andrea on the ulpan. She was from Chicago and had been on the kibbutz for several months before I arrived. We lived in the same compound and saw each other daily, none of the dating scene we knew from living in the United States. We developed a wonderful relationship, fell in love and we have been together ever since. In the summer of 1972, after spending a considerable time on the kibbutz, we left Israel on a ship from Haifa to Athens and over an exciting two-month period we visited several Greek islands and then returned to Athens, followed by train and hitchhiking trip across Yugoslavia, Austria, Germany, Switzerland and then to Paris, France. Spending twenty-four hours on a train from Athens, crossing what was then Yugoslavia, was quite an experience for us. The train conductor, wearing a cap with a big red star on it, visited our compartment almost hourly and sternly asked to check our passports. Nothing had changed from the prior hour, but I suppose he wanted to harass us a bit. The people sharing the compartment with us couldn't speak a word of English, but we managed to somehow communicate and have a few laughs.

After spending a lovely week together in Paris, Andrea and I returned to our respective homes, she to Chicago while I returned to Los Angeles. Thankfully it didn't take long for us to get back together as Andrea joined me in California in November, we were married in January, and we have been happily married for fifty one years!

Q: Was there anything you learned about the Kibbutz approach and style that in any way informed any actions or thinking when you joined AID?

SILVERMAN: Clearly the way children were raised on the kibbutz interested me. The children lived in dormitories and visited parents for short periods of time in the early evening while the kibbutz managed their education and upbringing more directly. I was also interested in their focus on efficient agricultural practices (the father of my Israeli "family" was sent to California for advanced training on new methods to grow strawberries) as well as immigration/absorption practices. Meeting Russians who managed to start new lives with new freedoms in Israel was inspiring. The kibbutz represented socialism that worked for its members. While doing graduate work at Ohio University I conducted further research on several of these subjects. I can get to that a little bit later if you want to have the time sequencing there, or we can talk a little bit about it now.

Q: No, let's do it later.

SILVERMAN: After Andrea joined me in California we spoke of our future interests and plans and after some discussions with returned Peace Corps volunteers and some of our own research we decided to apply to the Peace Corps. I was from Southern California,

studied Spanish, and Latin America seemed like a good first choice. Around Thanksgiving 1972 we received a Peace Corps package inviting us to serve in the Royal Kingdom of Afghanistan. Once we found out exactly where this country was located and after a visit to the local library where we checked out the few books available on Afghanistan, we considered this possibility. Remember, this was pre computer research, hard copy only. I read James Mitchener's book, Caravans, and some other materials that were available. After further discussions we decided to accept the invitation to work in Afghanistan but then Peace Corps dropped a surprise when they advised us that unmarried couples couldn't be guaranteed to be placed at the same site. As we had no intention of being separated in Afghanistan, we decided to get married and did so on January 20, 1973, the day Richard Nixon was sworn in as President for the second time. We completed our preparations for travel to Afghanistan via Washington D.C. Ten days after our wedding we were in Washington D.C. where we met the other volunteer candidates, were briefed on living and working in Afghanistan, received vaccinations, and obtained our passports. As a group we flew to Frankfurt, Germany and overnighted at a nice hotel and then the following day entered the Ariana Afghan airlines jet where there were thirteen empty seats for our group in a plane clearly filled with people from South Asia.

I believe we are probably the only people you ever knew who "honeymooned" in Afghanistan. Some people thought we were completely out of our minds to do this but when you are young and adventurous nothing is impossible! The experience of living and working in Afghanistan was fascinating. We faced day to day challenges to stay healthy and learned how to navigate Afghanistan's cultural environment. We traveled all around the country, to the north through the Salang Pass to Mazari Sharif, to the center of the country to see the magnificent and intensely blue lakes of Band-e-Amir. We had amazing visits to the Valley of Bamiyan where the magnificent Buddhas, carved from the sandstone cliffs in the fifth or sixth centuries, stood looking out into the valley. The two Buddhas were fifty-five meters and thirty-eight meters high and were connected to a series of caves where it is believed monks prayed. We were able to hike through paths behind the largest buddha and reach its head; it was quite an experience. The Taliban destroyed both standing buddhas in early 2001 and that part of Afghanistan's cultural history was erased. Thanks to our language skills we were able to visit these areas and others by finding local transportation options.

We worked for the Ministry of Public Health in Kabul. During our assignment, we experienced our first coup d'état which fortunately was a relatively bloodless coup. The King of Afghanistan, Zahir Shah, was in Rome for surgery and his cousin, Prince Mohammad Daoud, led the coup and set up the first Republic of Afghanistan with Daoud as its President. Visually Afghanistan was a magnificent place. Flying into Kabul you would see the Hindu Kush Mountain range that on average had a height of roughly 15,000 feet. Many women wore traditional clothing that covered their faces and bodies. People were quite friendly, especially when you were able to speak to them in their language. Afghanistan's history was fascinating, never conquered by any foreign power. However, it was a society based on family and tribal relationships and there wasn't much of a feeling for a national state or links to national level agencies. It was all about

families and relationships between tribes and protection amongst members of the tribes, often led by tribal leaders. The idea of trying to help the Afghans succeed in a national development process was a significant challenge because of cultural issues, the fact that everything was local and trying to promote national level services like health, education, agriculture and transportation to function was really difficult.

Q: Where were you assigned?

SILVERMAN: At the Public Health Institute which was part of the Ministry of Health in Kabul.

Q: In Kabul?

SILVERMAN: Yes. Our job was to teach public health doctors, and students hoping to become laboratory technicians, pharmacists and sanitation specialists technical English. In theory this was a good idea since relevant materials available in English were valuable resources for the students but the politics with the Soviet Union in Afghanistan complicated things. We were caught in a kind of sensitive political challenge where the Soviet Union had deep relationships with the GOA, and the government was desperate for resources. In Peace Corps we were trying to help by teaching students a skill that would help them in their careers and by providing the students access to resources and knowledge through published materials that would enhance their own knowledge. Unfortunately, local government decisions were highly politicized, and management skills were in short supply. It wasn't about us as individuals but rather as Americans with limited resources trying to improve student skills while the Soviets and eastern bloc countries provided training resources in country and were also training Afghans in the Soviet Union in many different fields. It turned out to be a complicated Peace Corps experience. The Public health leadership was trained in Soviet and Eastern European approaches and while they agreed to have Peace Corps instructors at the Institute, they provided limited support for our efforts. Even though we taught a full load of classes each week and set up a resource center with technical English materials that were donated from Asia Society for student use, the institute's leadership wouldn't let the students borrow books any of the books or use the center for student benefit, as they were concerned that books might be stolen and the instructors wanted to use the center for meetings. This was rather frustrating to us as it appeared that the management approach was to focus on control of assets rather than let the students benefit from them. Other members of the faculty who taught science classes would often continue their classes into our time slots and we weren't able to get management to adhere to reasonable schedules.

Since we were fairly well versed in one of the local languages, we were able to communicate fairly well with Afghans. We took seriously our responsibility to the Afghan students and to Peace Corps. In Latin America the assumption is that one will have the language skills needed to carry out one's job but in the Middle East and South Asia the challenge is much greater. This is even more true when there are tribal dialects. I spoke Dari, Afghan Persian, but half of the country spoke Pashto and there were other tribal languages spoken by different groups such as Hazara and Turkmen. Dari and

Pashto had little linguistic relationship with each other. There weren't any effective integrating mechanisms such as the military is in some countries, and the educational system missed more than one half of the population. Boys and girls studied separately through high school but as our classes were post "high school" a few girls actually attended. Several times the students went on strike demanding larger stipends or better food in the cafeteria and that was because many of the students came from rural Afghanistan and had grown up outside of a big city environment. I would say that the Afghan leadership at the Institute appeared more interested in pushing students forward into the next years classes, irrespective of the grades they achieved. If someone failed to achieve the minimum grade, we weren't allowed to recommend that they not move forward so at the end of our two year assignment we recommended that Peace Corps not replace us at the Public Health Institute.

During our stay in Afghanistan, we were visited by Henry Kissinger who was both National Security Advisor and Secretary of State. It was quite an experience to see him at the U.S. Embassy and listen to him speak live. The Afghans invited him to see a game of Buzkashi, the national sport of Afghanistan, in which horse-mounted players attempted to place the body of a goat in a goal. This sport had been played across nomadic Asia for hundreds of years and it was often quite brutal with riders beating other rivals with whips to capture the dead goat. I was able to watch the event at the national stadium that Kissinger attended, and I have pictures to prove it.

As we were getting ready to leave the Peace Corps, I was researching graduate programs to study international affairs or political science. I was debating entering a PhD program which could have led to university teaching or just complete a master's degree and think about working on programs in the field of international development. I was accepted to Ohio University's Master of Arts in International Affairs [MAIA] program. This was a multi-disciplinary program with a focus on a particular region and through the lenses of international education, history, political science and government as well as international law. My specific area of interest was the Middle East and North Africa and so we packed up the car and drove from Los Angeles to Athens, Ohio where the university was located. I studied full time for a year and a half working on the MAIA while Andrea was accepted into the master's degree program in linguistics. I was fortunate to receive a full assistantship and worked for the Dean of the Center for International Studies while Andrea taught in the Ohio program of Intensive English. At the Center I read about career opportunities at the U.S. Agency for International Development [USAID], especially the International Development Intern [IDI] program. I knew a bit about USAID in Afghanistan as they had a relatively big presence there. Because of my interest in world affairs, in international travel, and development I decided to apply to the IDI program. In the summer of 1976, after successfully completing my coursework and comprehensive exam, I graduated, and we returned to Southern California.

I was advised by USAID that approximately 1,000 people applied to the fall 1976 program, and that USAID was going to interview only one hundred and that I was invited for interviews. At that time USAID covered the costs of a trip to Washington D.C. for two days of comprehensive interviews. I flew from Los Angeles to Washington for the

interviews and was surprised to learn that USAID wanted to interview me for a population officer position. I could not understand why they would want to do that; with my background in business and management experience it made little sense to me. After several interviews with population staff, I told the IDI coordinators I wasn't interested in working for USAID in the population area and given my background and experience it seemed to be a mismatch. The IDI coordinator requested that I stay for an additional day to interview with USAID's Near East bureau for loan officer work. The interviews went well, I returned to California and waited to hear back from USAID.

Then the bureaucracy appeared to take over. I completed all the documentation required by USAID, sent the information to Washington but heard nothing back. We needed to find jobs and I started researching opportunities which led to interviews for teaching jobs in Isfahan, Iran under the auspices of Bell Helicopter. This wasn't what we really wanted to do but we couldn't afford to be unemployed much longer. Apparently, USAID misplaced part of my file. Two more weeks went by without resolution. I called Washington and told the IDI coordinator that unless a written offer was sent to me, I was going to drop out of the recruitment process. With great surprise the staffer said "What do you mean, we sent you an offer of employment?". Since I had no evidence of an offer I asked for a written confirmation and within two days I received a Western Union telegram putting the employment offer in writing for the IDI program. I still have the 1976 telegram in my file. In retrospect it was a frustrating start but led to a wonderful foreign service career.

Q: Let me comment that you are not the first person I have interviewed that had challenges upon entry. On Halloween of 1977 I was supposed to start in three weeks and was informed the program had been canceled. I just point this out because there are many stories of challenging entries into the AID and the IDI program.

SILVERMAN: I believe administration was not a strong point of the USAID Washington personnel system which was confirmed to me many times over during my foreign service career and after retirement when I carried out multiple short-term assignments for different bureaus. To get ready for the trip to Washington D.C. I filled the back seat and trunk of my Toyota Corolla with our things, and we set off across the country. After several months of general training for the IDI group I learned that I was to go to Afghanistan as an IDI in capital development. By that time, I was working in the Near East bureau on various programs. I hadn't planned to return to Afghanistan, but the Near East Bureau leadership felt that the mission in Kabul could use someone with my skill set, even though the mission went on record requesting an engineer. While being in the middle of a bureaucratic disagreement wasn't what I desired [it wasn't about me personally] I arrived in Kabul in January 1977. I offer an important point. I had a solid knowledge of Afghan Persian which turned out to be helpful in my effectiveness with USAID in Afghanistan.

In my view one of the big issues with USAID has been the lack of language training opportunities, especially in countries where there were difficult languages such as Persian or Pashto, Arabic or Urdu. The State and Defense departments invest significantly more

resources in their people to be trained for assignments. In my early years with USAID intensive language training in Spanish and French was offered before assignments to Latin America and West Africa but not to countries with hard languages. It turned out that in Kabul I was one of few USAID officers who could communicate in Persian.

Q: So, Mark, this is what year we are talking about?

SILVERMAN: Arrival in Kabul during January 1977.

Q: Aha, you were there at a hot time. OK.

SILVERMAN: To give you a little background on the conditions in the 1970s, Afghanistan was identified as one of the twenty-five least developed countries by the United Nations Conference on Trade and Development. A small number of Afghans were literate and in the rural areas the numbers were even smaller. Basic health services were largely unavailable and maternal and infant mortality rates were high. Finally, because of droughts, availability of food was a challenge for many. USAID's small assistance program was focused on helping the people have access to and be able to grow food, promoting education and improving access to very basic health services. When I arrived, Embassy Kabul had a terrific career Ambassador in Ted Elliot who spoke Persian and was quite supportive of USAID's efforts in Afghanistan.

By 1977 USAID Kabul had a relatively large staff compared to its modest program. In my home office of Capital Development and Engineering, for example, we had four U.S. direct hire [USDH] engineers and most of them were placed after the fall of Vietnam. The office chief was an experienced and well liked officer by the name of John Standish who had thirty years of government service and was about to retire. He took me under his wing and shared valuable knowledge and experience, including a welcoming approach to work and a great work/life balance. He encouraged me to take advantage of this time to rotate through the mission offices. I was the youngest USDH officer in the entire mission. Most of the USDH staff were at least twenty years older than me and that situation created challenges. Director Vince Brown left just before my arrival and Fred Sly was the Acting Director. Imagine a mission with 400 staff made up of fifty USDH officers, twenty third country nationals and a really large number of Afghan staff in a country like Afghanistan.

One of the major local development efforts was to promote irrigation in the Helmand Valley in the south of the country. The U.S. government [USG] had worked in the south of the country for almost forty years investing in roads, dams and electricity projects at a time when USAID was providing low interest loans. USAID also managed a successful program with Kabul University helping develop their engineering faculty which was critical for Afghanistan's future technical workforce.

Just a side note about an extraordinary travel opportunity that presented itself during a visit to Peshawar, Pakistan. We ran into an embassy colleague and had tea together and she told us about trip plans for a small number of U.S. mission staff to China and that two

spots were still available. Embassy staff had been working with the Chinese embassy for almost a year awaiting Beijing's approval for visas. We immediately agreed to join the adventure and a few months later we joined eleven colleagues from USAID and the State department on a trip overland to Islamabad and then a flight from Rawalpindi, Pakistan to Beijing (then known as Peking) to start an unbelievable two-week journey in China. We arrived in China exactly one year after Chairman Mao's death and one of the early events had us attending the opening of Mao's mausoleum in Tiananmen Square. Mao was in a clear crystal casket with the hammer and sickle on its top. The Chinese treated us like a diplomatic delegation and moved us up to the front of the line where thousands of Chinese waited to view the body of Chairman Mao. During this period few westerners were allowed to visit China, and our group was one of the first American groups to spend several weeks in China, before the economic boom and before the construction of western hotels. We weren't allowed to visit many of the spots now available for tourists but we did visit the Great Wall of China, we saw an acupuncture operation in Shanghai, watched pink pong diplomacy in action, visited a tea commune and elementary schools as well as a number of factories plus beautiful spots such as Soochow, Hangchow and Nanking. We spent two fascinating weeks, drinking tea with worker representatives at every location we visited and hearing about the Gang of Four political group. At the end of our trip to China we all needed a vacation.

The mission had considerable management responsibilities to maintain a large compound that was built many years before. To give you some insight, the USAID compound contained buildings for staff, a cafeteria, a small medical unit, a swimming pool and clay tennis courts, a movie theater where embassy staff and families used our facilities to watch films on the weekends and a large motor pool. The mission had a small fire house with its own fire engine that was used to support local government needs every now and then. Clearly, with a modest program and a large and costly operation, USAID was under the microscope in Washington.

USAID/W's answer to these issues was to bring in a new director and deputy director for Afghanistan. Chuck Grader became the new director, and his deputy was Owen Cylke. Chuck and Owen brought new energy and commitment to the mission. The task Washington gave Chuck Grader was to reduce the USAID presence in Afghanistan by reducing its operating expense needs while looking to see if a new strategy was possible. While change was required, it was not a positive time for the staff to have to deal with reductions in force and retrenchment. It was unclear to me whether Chuck Grader was given instructions for such a large reduction or whether he went beyond the general framework provided by USAID/W.

On top of this painful process, in April of 1978, Afghanistan was rocked by a bloody transformative coup d'état. Left wing officers in the Afghan military and the left-wing political parties coordinated a bloody overthrow of the Daoud government and murdered him and his family. As I understand it, a leftist leader was killed, and his killing was blamed on the government which served as a rallying cry for the left. Daoud ordered the arrest of certain leftist leaders, and the coup began. The outcome was a left wing government headed by a known communist politician named Nur Mohammad Taraki

who was a founding member of the People's Democratic Party of Afghanistan. I believe he once worked for the U.S. Information Agency. He was Chairman of the government's Revolutionary Council from 1978-79 before he was murdered and replaced by another leftist politician.

Soviet influence in the military was significant because many officers in the Afghan military were trained in the Soviet Union. They were sent for a year of language training, and six years of technical training. That background along with a strong set of left-wing political parties in Afghanistan and unhappiness with the Daoud government created the conditions for a coup and it was a bloody one. My introduction to the coup was as I drove home from carrying out errands, I saw fighter jets speeding across the sky and what looked like missiles flying over the city of Kabul. I thought to myself that this was not a movie set and wondered what in the world was going on? Upon arriving home, I immediately called Post One at the embassy where the marine guard usually worked and Ambassador Elliot answered the phone. That was something that had never happened before. He said to me, "Mark, the embassy is under attack. I suggest you fill up your bathtub with water and cover your windows and hold on." The U.S. Embassy was not far from the presidential palace which was under attack by military fighter planes. In 1978 the embassy didn't have security radios for staff and there was no way to stay apprised of developments, other than listening to our short-wave radios for BBC news or hopping on one's bicycle to try to find out what was happening on the ground. We lived five minutes from the Soviet Embassy in a section of the city called Carte Char.

We placed mattresses in front of the second-floor windows where the bedrooms and den were located. Early the next morning I heard outside noise which sounded like heavy equipment nearby. I crawled to our den window peered out at the compound and street only to see a massive Army tank in front of our compound. All of a sudden, the turret turned towards me, and I was convinced that my short foreign service career was just over! As the tank tried to turn around, it crashed into our compound wall. We later learned that it was in our neighborhood looking for snipers who may have been operating in a nearby mosque but fortunately it only left a hole in our wall. This was an experience I won't ever forget.

Q: Mark, can I make a comment? I have been particularly interested in Afghanistan -- the period up until the coup had been a period of some attempts to establish a more open society. Is that correct or am I wrong?

SILVERMAN: I was not aware of those attempts however in the 1960s under King Zahir Shah, women had a lot of personal freedom and in Kabul many wore western clothing, enjoyed music and worked outside the home. Some described that time as Kabul's golden era when the city was a blend of both modern and traditional. I was told that some women even wore miniskirts! The movement toward a more conservative society was clearly underway in the late 1970s and for that reason the left-wing political philosophy behind the coup didn't mesh well with many Afghan citizens who were rural dwellers, focused on family and tribe and were quite traditional and conservative. The Taraki government flew red banners with socialist slogans over buildings and actually

promoted the idea of girls education everywhere, rejecting the tribal and family linkages in Afghan society.

Q: OK, go ahead.

SILVERMAN: The coup was an interruption of great significance to the country, and we have seen what has happened since. USAID had some talented staff who tried but couldn't put programs together that would be approved by both the Government of Afghanistan [GOA] and by USAID. The Taraki government announced plans to promote food, housing and education but in fact what they really wanted was to do away with the many traditions that existed and promote an urban socialist framework. Urban leftist philosophy did not mesh in a country where ninety percent of the population weren't literate, where poverty levels were high, with limited healthcare services available. Most of the population lived in simple mud houses and relied upon the extended family for food and shelter. I worked on a project designed to promote rural primary education and help with the implementation of a more effective primary healthcare system which was underway. When it came down working with the new GOA we had limited success.

USAID's Assistant Administrator [AA] for the Near East, Joe Wheeler, visited Kabul to test the political waters and when he met with the Minister of Health to talk about our cooperation in the health sector, the Minister's request was that the GOA wanted us to build a hospital in Kabul. The mission had been working on preventive health care initiatives with the Afghans for several years, helping the Ministry of Health develop a model to decentralize basic services, improve the quality of those services and reach a larger number of people in the rural areas. The idea of building a tertiary center with one hundred beds seemed inconsistent with Afghanistan's needs. There was no meeting of the minds.

We tried working with the Ministry of Education to promote rural primary schools where they were needed through school mapping and to improve the overall quality of teaching. I helped design that project working closely with our education staff and the technical staff of the ministry. Many of USAID's staff were experienced and impressive development thought leaders like George Carner (program officer), Ray Fort (agriculture) Larry Saiers (program economist) and Stan Handleman (education). They launched an effort to develop an appropriate USAID strategy for Afghanistan by bringing out the Development Studies Program leader to work with staff and to carry out multiple strategy sessions to look for ways to address economic and social challenges in Afghanistan.

The real question was how could the United States work in such a highly charged political environment? It wasn't just a difficult living environment but between language challenges and international politics we weren't able to create a program that would meet Afghan needs and be consistent with U.S. government policies. USAID couldn't help a country after a coup with a communist government but was the government communist or nationalist or socialist? There was a continuing interest to work in southern Afghanistan, in the Helmand Valley, where the U.S. had been working for almost forty years in a complex irrigation and resettlement effort, with the last investment helping to

address major drainage and salinization problems. I helped put the project paper amendment together in 1977. I believe the project ended in 1979-1980 with the Soviet invasion of Afghanistan. The idea of promoting a USAID supported rural poverty strategy for Afghanistan after the 1978 coup and the assassination of our ambassador was not going to happen.

During my tour in Kabul, I learned a lot about how a USAID mission functioned, as I worked in all the principal offices and was able to participate in all of the mission functions. During that time a major reduction in force took place; I believe around 300 local employees and USDH staff were directly affected. It wasn't a positive time to be in the mission, but it seemed that something needed to be done to address the lopsided nature of the mission structure and program. My time at USAID Kabul was a valuable part of my early USAID learning experience and the adversity faced during that time made me more resilient. Since our attempts to develop a strategy and a program to work with the "new" Afghanistan didn't pan out, it was decided that I should complete my tour and move on. There appeared to be little chance that the program would continue, even though the mission had developed a reasonable strategy, but the overall political situation wouldn't permit forward movement. It looked like program and staffing levels would be further reduced. Fortunately, USAID Cairo, at the time the largest mission in the world, was interested in my joining their staff and that was the next important step in my USAID experience.

Q: What were the political dynamics in Washington from State, the White House, congress in terms of when this coup took place? What was their attitude?

SILVERMAN: Well, this was the time of President Carter and given the basic human needs strategy that USAID/W promoted, I thought there was hope in Washington that perhaps something could be done in terms of working with the new government to help the rural poor. They let us try but given the political situation in Afghanistan and the various legal constraints they wouldn't support a rural poverty strategy in Afghanistan. Ambassador Eliot departed post and Adolph "Spike" Dubs, came in right after the coup. Dubs had been the Deputy Chief of Mission and Chargé in Moscow. I remember he once told me that the Soviets were not going to be helpful and were not our friends. Three weeks after we departed Kabul, on February 14, 1979, Ambassador Dubs was assassinated. He was traveling in Kabul with his driver and was stopped by a police car and told to follow the car. The driver followed instructions and ended up at the Kabul Hotel. My understanding is that the men were not police officers but Mujahideen terrorists. It would have been impossible to nab the Soviet Ambassador as he had a significant security detail, so they took the American Ambassador instead. The embassy learned the Ambassador was being held captive in the hotel.

The story from unclassified sources is that the Soviets, who provided substantial security assistance to the government, were advising the Afghans. Our political counselor spent three hours trying to have discussions with Afghan authorities, demanding to talk to the Ambassador to be sure that he was alive and safe. It appears the security forces paid little attention to the embassy's request as they went in guns blasting and everyone in the hotel

room where the Ambassador was held captive was killed. After that horrible experience I believe the embassy operated with a Charge until 1989 when the embassy shut its doors before the start of the long civil war followed by the Taliban takeover.

Q: So, from 1979 to 2001 there was no embassy.

SILVERMAN: No. My understanding was that after the Ambassador's assassination the embassy functioned with a Charge (the Soviets invaded in December 1979). From 1989 to 2001 the embassy was formally closed due to safety concerns, but the U.S. continued to have Foreign Service National staff [FSNs] on the ground in a caretaker capacity and that a regional security officer and team visited the embassy several times a year to ensure that the FSNs were paid, and that the embassy was in decent condition. Apparently, there was no attempt by the Afghan government to try and enter the embassy during that period of time. What more can I say about Afghanistan except to look at what's happened ever since. In the early 2000s USAID asked me to consider returning to Afghanistan as its mission director but after two different work experiences over a four year period, and the fighting and turmoil in the country, I asked to take my name off the list.

Afghanistan is still one of the least developed countries in the world; the Taliban is now firmly in control; women have lost their right to work and to go to school beyond early grades and many of the gains from 2001 to 2021 have been lost. For more than twenty years I have supported efforts to promote education for girls and strengthen traditional craft businesses through the Friends of Afghanistan organization that is made up of 125 former Peace Corps volunteers who served in Afghanistan of which I am a proud member.

In the spring of 1979, I transferred to Egypt to work as a capital project development officer. I thought Egypt would be a good training ground since it was the largest program in the world with many projects developed or in the pipeline and it provided considerable opportunities for a second tour officer. Besides that, who wouldn't want to spend time in a country with such a fascinating history and after the Camp David Accords? I joined the Development Resources Directorate, [DR], the unit that managed the largest infrastructure program in the world. Dick Dangler was the Associate Director and Tom Johnson was my immediate supervisor in the Office of Infrastructure. I was given the responsibility to manage the electric power portfolio, one of three sections in the infrastructure office (power, telecommunications and water and sanitation). I had design and implementation responsibilities and a huge budget to manage. It was an exciting time to be in Egypt. We had an amazing ambassador by the name of Alfred Atherton who had many years of diplomatic experience dealing with the Middle East, including serving as the Assistant Secretary for Near Eastern and South Asian affairs. Atherton was an important negotiator who helped bring about the Camp David Peace Accords in 1978. Atherton was a gentleman and a great political leader. He was not very involved with the USAID program even though it was a major resource in support of our foreign policy; his interest was clearly in helping Anwar Sadat succeed.

Don Brown, the USAID Director, was an extraordinary officer who came out of the Africa bureau, and you may know of him. He was a master of detail and was all business with a photographic memory. He brilliantly represented USAID on the country team and with Washington—State, National Security Council [NSC], USAID and the Congress. Embassy leadership relied upon him extensively. Don didn't want to have USAID manage the executive office functions for this large mission and was happy to have the Embassy run combined services. I learned a lot from him during the first several years of my assignment. I had to be prepared; know my projects; be able to brief succinctly and make clear recommendations to resolve issues.

Owen Cylke, who I worked with in Kabul, was recruited to be Don's deputy and he arrived in late 1979. I saw Don as the outside man and Owen the internal manager, much like an ambassador and deputy chief of mission [DCM] would function and they worked well together. At the time USAID Cairo had more than 120 USDH staff and probably 200 FSNs with a yearly budget that exceeded \$850 million. Cairo provided me with an exciting opportunity to learn USAID's tradecraft in the largest and most complex assistance program in the world. My six-project portfolio had a total value of almost \$500 million dollars and at the time our power sector investments were significant enough to help improve the generation and distribution of electrical power in key parts of the country. I was busy learning and trying to demonstrate that even an individual officer could potentially have an impact on large issues.

Q: Give us an idea of the kinds of projects you had. I guess it was primarily construction, yes?

SILVERMAN: Well, it was much more than construction and it consisted of a mix of large capital projects as well as activities that promoted innovation and efficiency in management of systems. I worked through project design and approval, negotiation of international agreements, managing host country contracting and monitoring implementation of the infrastructure projects- the entire USAID project and program system. At the time there was almost no delegation of authority to the field to approve projects. So, there was a lot of work that needed to be done to first obtain mission management approval, then prepare documentation for Washington reviews and finally to implement the guidance that came from USAID/W. What followed was the need to develop and negotiate agreements with the Government of Egypt [GOE], help with the contracting of engineering support and then for the contractors that would implement the various projects. Increasing power generation capacity, for example, required working with large architect and engineering firms and then translating their proposed designs and cost estimates into implementing documents that would be finalized in contracts with the GOE. In essence, I was involved in all aspects of the project cycle and this experience served me well in my career.

Q: Were they primarily U.S. contractors?

SILVERMAN: Yes, U.S. engineering firms such as Bechtel or Sargent & Lundy working with Egyptian partners and U.S. companies such as General Electric or Westinghouse

with Egyptian companies backing them up in implementation. My portfolio included six major capital projects ranging from large power generating plants to state of the art energy management systems, improvement of electrical distribution plus a utility management improvement effort. Together these investments helped support economic expansion and improved services to the population. I worked on projects in different parts of the country from electric distribution improvements in the Canal Cities area near Suez to the power distribution system in Cairo. On the power generation side my projects were in Helwan near Cairo, in Ismailia near Suez and Shubra el Kheima which was north of Cairo.

Q: Let's put this in the context of the Camp David Accords which were...

SILVERMAN: signed in September 1978.

Q: And you were there in what years?

SILVERMAN: 1979 to 1983. Egyptians loved Americans during that time!

Q: This is the very beginning of a tremendous amount of money going into Egypt. I have several questions. The first is what were your observations regarding your counterparts in capabilities within the different organizations you worked with.

SILVERMAN: Yes, at the time the mission budget was the largest in the world and Camp David put Egypt at the top of the foreign policy priority list. I worked closely with the Ministry of Electricity and Energy. The functioning authority for all of the projects was the Egyptian Electricity Authority. Their engineers were trained locally, in Europe or in the Soviet Union but they didn't get much management training. Most of my counterparts spoke English and since I could speak conversational Arabic, I was able to pick up some of the discussion that went on between Egyptians. Very few of the ministry staff had studied in the United States. I would say that Egyptian management practices were quite different from our own. Relationships were important and the first twenty minutes of any meeting was made up of small talk, drinking Arabic coffee or tea and then getting down to business. Meetings and negotiations were often lengthy involving extensive discussions and back-and-forth exchanges while interruptions were normal. Senior members of the ministry often managed two meetings at the same time. I could bring an issue to the head of the Electricity Authority who would excuse himself from time to time to meet with the Soviets or the Europeans in another office and then return to our meeting. The Minister of Electricity, Engineer Maher Abaza had been with the Ministry for many years, first as undersecretary and then as Minister and USAID worked well with him. Nevertheless, he was the king of what I call multiple meeting management. The minister could work two meetings in his large office and another one across the hall. It took some getting used to this management style and required a degree of patience.

This was quite a different environment from working with American institutions or even Afghan institutions. Another challenge was in communications with the poor quality of

the telephone system. The system was so bad that one couldn't make a call across town to speak to counterparts about an issue or the need for a meeting and so a messenger system was developed which meant that we sent someone with a written message by motor scooter across town to the ministry with the message. That was the fix.

In capital project implementation the mission followed host country contracting procedures for projects which meant that contracts were between the Egyptian government and the U. S. firms. USAID had approval rights in accordance with USAID policy. In 1980 USAID went from being an agency that provided low interest loans to one that provided grants. That decision required a retooling of the processes followed by the agency in developing new agreements and implementation procedures. Capital project officers no longer designed and helped implement loans but rather worked only with grants and the new documentation requirements. Unlike in Latin America or in West Africa, we had the benefit of working in the English language so all our documentation with the Egyptians was in English.

Q: What were your relationships with several of them who have been trained in the Soviet Union and what were their capabilities?

SILVERMAN: Well, I think from a standpoint of skills the Egyptians had good technical skills but as I mentioned earlier some weaknesses in management. Some counterparts were more effective than others and some were more political than others. From the standpoint of getting to really know people and being able to get close to people it was more difficult. Religious and cultural practices created some distance and while we had many Egyptian friends not so many from among counterparts. Remember that only six years earlier, in 1973, Israel, Egypt and Syria were at war. The United States provided significant support to Israel during that conflict yet Anwar Sadat's bold move to visit Israel to seek a peace agreement and normalize relations with Israel translated into a totally different relationship between Egypt and the U.S.

What was interesting to me was that you had a lot of happy people who had new hopes and would express that happiness on the street. I was studying Arabic several times a week and could speak some conversational Arabic. I was able to have basic conversations with people on the street and when they learned that I was from the United States they were all smiles and quite friendly. Another interesting point was hearing Hebrew spoken at various places in Cairo, something I never expected to encounter with Israeli visits to Egypt; however Israel had established a small embassy in Cairo and political and cultural connections were being made. Direct flights from Cairo to Tel Aviv were established and we had a chance to go to Israel from Egypt.

I should mention that USAID financed a commodity import program that helped Egypt import goods that the economy required, and it was also something that helped Congress justify providing resources to Egypt. Companies from different congressional districts provided everything from buses to bakery equipment to industrial equipment and grains needed for the economy. Please remember that in the late 1970's and the early 80's you had the leftover of Nasserism which was basically a socialist type of economy. The

public sector was enormous, government companies would be contracted to produce products such as tires or stoves based on government mandates. There were shortages in many areas and there wasn't much competition since a few government companies produced the goods and the formal private sector was a relatively small part of the economy.

One of the things I found challenging was that public sector organizations ran most of the economy, didn't focus on controlling costs, promoting efficient operations or increasing market share. There were private firms in the construction sector like Arab Contractors, but many were led by ex-military officers. There were companies that had substantive construction experience but in terms of being overall responsible for programs and such they were mainly in the public sector. The military operated companies that produced goods as well. Overall the public sector budget was inflated, everything from tire manufacturing in Alexandria to cement plants run by the Ministry of Industry and military companies that produced small machinery. The companies did not compete and sell goods to consumers as we did in the west and the relationship between the military and industry was close, far too close. Foreign exchange was hard to come by which is why having select programs like the cash transfer helped work through key policy issues and facilitated decision making.

For example, for many months I worked with USAID's economists trying to demonstrate to the GOE the value of charging reasonable energy prices which would help them recover costs related to production and distribution of electricity and reduce the drain on the budget. A dialogue at the policy level was very helpful in facilitating the development of options for the government to think about in a somewhat rigid system. In a public sector led economy controlling costs and enhancing revenues were difficult objectives to get much traction in decision-making especially when subsidies were promoted throughout the budget. Nevertheless, we helped the GOE look at several opportunities to enhance their revenues, broaden the delivery of public services and improve the management of various systems which proved to be the right way a number of years later.

Q: Do you have any sense of what that looks like today in terms of the role of the public sector versus the private sector?

SILVERMAN: I do and it was considerably different. After serving as Deputy Director in Nicaragua I had the honor to return to Egypt in 1997 and found substantial differences. The GOE was focused on ways to engage and utilize the private sector more effectively and you had people coming out of the private sector moving into government. So, ministers who were successful business people were being put in charge in areas such as the Finance, Telecommunications, and Economy ministries. I was the Associate Director for Infrastructure and the Environment. I saw some interesting changes—for example the Egyptians had moved forward with plans to privatize the telecommunications system. As I mentioned earlier in the 1980s the local phone system didn't function, and a messenger system was developed to promote communications. By 1998 the telephone system functioned rather well. Instead of the government introducing

cell phones private providers were allowed to operate and everyone was able to communicate via cell phone.

A lot of the work leading up to this point was supported by USAID technical assistance, training and introduction of improved utility management practices. I was surprised at how fast that wave had moved into a place like Egypt where we used to laugh about the Pharaonic state and how slow everything moved. Water and wastewater services in Cairo and Alexandria, two areas where USAID invested substantial resources, had improved dramatically and the government was searching for ways to promote greater efficiencies and more local investment. They started auditing the use of water in large apartment complexes as a way to understand the cost of water losses. Even in the housing sector the government was considering ways to promote more private involvement in the sector. USAID was proudly supporting these efforts.

Q: I have an observation for the reader. I think that the reader is going to find your oral history fascinating and your ability to compare and contrast your time there in '79 and then your time nearly 20 years later, that is quite something that you are in that position. Let me ask you a couple more questions. Tell us about the FSN staff when you were there in 1979. What role they played and what their capabilities were.

SILVERMAN: Well in the late 1970s we were ramping up the program. After carrying out a lot of the feasibility work to identify what types of project interventions were possible, we needed to recruit the FSN technical staff to help USAID promote improvements in various sectors. I was not an engineer, and we required American and Egyptian engineers to support the growing program. Within the infrastructure office we convinced USAID/W to hire two American engineers, one to work on telecommunications and the other in the power sector. We buttressed USDH staff with excellent Egyptian staff who had western training and experience and had recently returned to Egypt. One of the important aspects of a strong FSN staff is to provide continuity and a program memory. Americans come and go. Other than in Afghanistan I had never served in a post for less than four years. The State Department seemed to move people through postings in eighteen to thirty-six months. From my experience it takes time to develop contacts and become effective on the job and if you were going to spend only eighteen to twenty-four months at a post you probably weren't going to be as helpful as you would like.

The continuity of FSN staff was incredibly important for such a large and complex program as was launched in Egypt. I helped recruit several excellent Egyptian engineers with strong technical and management skills to support the program and to be interlocutors because of their knowledge of people in government and their language skills. USAID FSNs were not only assistants and support staff, but we were recruiting staff to manage programs. With the movement toward decentralization of decisions and delegations to the field to approve new initiatives, the role of the FSN in USAID became even more important. Returning to Egypt in 1997, I was delighted to see many of the FSN staff we hired in the 1979-1983 period still working for USAID but in positions of much greater responsibility. As Washington moved away from approving projects and

decisions that needed to be made in the field, the opportunities for FSNs to have greater influence in the program increased dramatically. In the early 2000s, as Director in El Salvador, I proudly empowered one of our most senior FSNs to be the division chief and manager of USAID's \$170 million earthquake reconstruction program, something that I don't believe could have been possible in the 1970s to 1980 periods.

Q: When I was there in 2006 under contract to Liz Warfield, the role of FSN staff in the education health portfolio was fundamental. One last question. You were there not long after the war and you are Jewish, and your wife is Jewish. How were you greeted? How did you feel as a Jew in Egypt at that time?

SILVERMAN: Having spent a lot of time in the Middle East and South Asia, how shall I describe it? For me the perspective is not that I was a Jew, but that I was an American diplomat who was Jewish. That issue really never came up much. I don't recall encountering antisemitism directed at me or my family in Afghanistan or in Egypt and I lived in those countries for twelve years. I can't say the same for my time in the U.S. military in the 1960s and of course the rise in antisemitism in our country today should be concerning to everyone.

Q: A number of people have received training in the United States. Were there a number of participants there who had been financed by USAID?

SILVERMAN: The participant training program that USAID put together in the early years had an important impact in terms of the skill set that existed in the Egyptian government and the Egyptian NGOs. It was a great opportunity to take advantage of a resource that is very hard to come by around the world in terms of participant training dollars as you know. And I'm trying to remember as I am speaking the name of the program, and I have forgotten it. The Peace fellowship program was one of them. And I can't give you the statistics, but I can just tell you that it was significant the number of people who were trained. And the roles that they played not just in Egypt but in other parts of the world was quite important.

When I served in El Salvador, the second administration I worked with had senior leaders who were once USAID FSNs. The vice president worked in USAID's private sector office and the foreign minister worked in the program office. Both received considerable training under USAID auspices and were wonderful counterparts. From time to time, it was a little awkward getting called by the senior leadership of the country (bypassing our Ambassador) but they both knew how USAID functioned and were key interlocutors with the U.S. embassy. I just had to be careful and keep my ambassador well informed of these contacts. Even the First Ladies of the two governments used to call me directly and ask for assistance in their respective areas. Working with cabinet ministers who had once worked as USAID contractors was also an interesting experience for me. In Central America the Caribbean and Central American scholarship program trained thousands of young people, many of whom later occupied positions of increasing responsibilities in their respective governments.

Q: That is a very interesting perspective which I haven't heard in any of the other interviews. One of the things that many of us know today is that participant training programs have been cut over the years, while undoubtedly they played a key role in so many countries.. Do you have anything else to say about your time in Egypt?

SILVERMAN: One additional thing I am proud of is that because of my work in Egypt, in 1981 I was nominated by USAID for the William A. Jump Memorial Award for Distinguished Service in Public Administration. This award was developed to recognize outstanding service in administration and for notable contributions to the efficiency and quality of the public service of career employees under the age of thirty-seven. It was a great honor for me to be endorsed by the Administrator as the USAID nominee. I thought that the Egypt learning by doing experience provided me opportunities to demonstrate that one could influence issues and promote potential outcomes beyond one's immediate work focus. I was grateful for that opportunity and at the same time I believe USAID Cairo provided me with the tools and experience to enhance my ability to help others achieve results and have a positive impact on people during my foreign service career.

Q: That is excellent. I think this is a good point to stop. Thank you very much.

Q: Today is Monday, January 8, 2024. I am having my second interview with Mark Silverman. Mark will finish up with his description of his assignment to Cairo and then go from there. Mark, welcome.

SILVERMAN: Thank you, Marcy. I think where we left off, I had just been nominated for a government wide award and Andrea had won a fellowship at the American University of Cairo to work on her master's degree in linguistics and teach English as a foreign language. Then we received a wonderful piece of news; we were going to become parents. For medical reasons Andrea was evacuated to the U.S. I was in Washington attending the development studies program. I was lucky to get to the hospital in Chicago in time for the birth of our son Aaron. The three of us returned to Cairo in early 1982 and by the summer of 1982 I moved up from managing the power portfolio to division chief in the Office of Industrial Resources which was part of the Trade and Investment Directorate. USAID nomenclature had changed, and I was then called a deputy project development officer. As the office lacked a director for most of my last year in Cairo, I shared overall office responsibilities with another division chief and attended all senior staff meetings in the mission.

For much of the last year of my second tour I carried out multiple roles in helping fill staffing shortages, resolved a number of thorny project implementation and contractual problems, and helped develop a framework to better understand the policy issues and challenges to working in the public industrial sector. I helped negotiate solutions to longstanding project problems with senior Egyptian public sector officials and senior

management noted that program implementation improved and the quantity and quality of work in the division increased noticeably.

A new modern hospital opened in Cairo, not far from our apartment in the suburb of Maadi, that was managed by an American health services company and in mid 1983 our daughter Laura was born in Cairo. It was a great relief to avoid the need to return to the U.S. for her birth but what an experience I had obtaining her birth certificate from the Ministry of Health in Maadi, as I sat with Egyptian women in the office waiting for assistance from ministry staff, and then I had to have the certificate translated from Arabic to English and finally have her registered as an American citizen born abroad with our embassy. Thanks to our consul general, all of this work was taken care of and our Egyptian princess was able to obtain her passport.

In the middle of 1983 after completing two fascinating tours in Cairo, we set off for home leave and then to Washington D.C. as I was being assigned to Lima, Peru. After home leave I entered language training at the Foreign Service Institute [FSI]. I studied Spanish for six months, successfully received my professional language certificate and was ready for an assignment to Peru and a new adventure with USAID. It took some time to finally be able to serve in Latin America.

In April 1984 we left Washington for Lima. I was assigned to the Office of Development Resources (DR) as deputy director responsible for capital development, private sector and engineering divisions. We arrived in Peru post the El Nino caused disaster where because of the El Nino currents (this is a weather phenomenon that refers to a warming of the ocean surface that can cause significant changes in weathers such as heavy rainfall and droughts) there were major floods in the north of the country and drought in the south. The Government of Peru, [GOP] led by President Fernando Belaunde Terry was in dire straits because they had these two massive problems to deal with. USAID Lima was heavily involved in supporting Peruvian efforts to promote recovery and longer-term reconstruction efforts.

At the time we had a non-career ambassador in Lima, a political science professor from Virginia. There was a complex embassy dynamic because the Ambassador and the Deputy Chief of Mission [DCM] weren't getting along. In fact, they didn't communicate much with each other which was not helpful. The USAID Director was John Sanbrailo, an outstanding senior foreign service officer and Latin America specialist who worked very hard to marshal support for Peru. John was very much a workaholic; one never had much small talk and personal exchanges, but he could teach you so many things about our business.

I won't forget my first meeting with him and the President of the Industrial Development Bank not long after I arrived in Lima. We were going to complete negotiations on the balance of payments program designed to help respond to the disasters and this was my first real negotiation after language training. I was a bit nervous attempting to highlight aspects of the draft agreement in Spanish and both John and the bank president had detailed discussions in fluent Spanish. By the end of the meeting the Peruvian leader

began speaking in English to me, flawless English as it turned out he had a PhD in economics from Boston University. We all laughed, and I was greatly relieved.

The impacts of El Nino caused great consternation within the government and amongst the population. The USAID mission spent significant time and money trying to help the government respond, to expand services on the ground and financed a comprehensive reconstruction program. Responding to flooding and drought created two very different challenges. We had a highly effective technical assistance team led by USAID staffer Michael Hirsch who oversaw the disaster reconstruction program. At the provincial level the government had what were called development corporations and USAID placed contractors in a number of those entities providing responsive technical assistance and financial support for recovery from the flooding as well as assistance to help revive the agriculture sector in the drought-stricken areas. At the national level the mission provided \$60 million in balance of payments support which helped address key policy issues facing the government. The GOP agreed to provide the local currency resources needed to fund a small business lending program. Under this agreement I helped contract technical assistance to develop transparent rules and regulations and strengthen credit practices which were followed by the Industrial Development Bank in the hope that the program would help small businesses recover in the affected areas. After utilizing the first \$30 million for small business loans an evaluation of the credit program was carried out and it found that the lending program was successful and had a major stabilizing effect on the private sector. Implementation of the mission's large pipeline was also a high priority, and I worked with all elements of the mission to help resolve bottlenecks and advance this objective such that the mission received a complementary message from USAID/W.

George Hill, a master in budgeting with a great deal of program experience was the Deputy Director. Norma Parker, who I believe you have been interviewing, was George's wife at the time, and she was our technical office chief responsible for health, education, and democracy programs. It was an interesting mission experience until mid 1985 when Allen Garcia was elected under the American Popular Revolutionary Alliance banner [APRA]. APRA had never been a governing partner in Peru. They were always on the outside looking in, articulating an anti-imperialist social and political option. They saw a role for bigger government and promoted social democracy. Allen Garcia was a thirty five year-old who never had a job outside of the APRA political machine. One of his first major statements was that the GOP was not going to pay its debts because of economic abuse by the international community.

Fortunately, our new Ambassador, Alexander Watson, an experienced Latin America hand, arrived to lead the embassy during these trying times. President Garcia caused a huge rift in economic relations with the United States because for USAID to be able to continue to provide assistance, Peru had to be current in its debt payments to the United States (no more than six months behind in payments related to the Foreign Assistance Act). Up until 1980 middle income countries received low interest loans instead of grants because they were not authorized under the Act.

Suddenly, we found ourselves in the midst of a major political crisis. The government stopped paying on its foreign assistance related debt, and we of course had to work through legal processes as part of U.S. appropriations policy. We couldn't help Peru if its debt payment obligations to us weren't current. I had never been exposed to such a thorny policy problem and it was both a career lesson and an interesting challenge to work on this complex issue. I helped establish close links with the Central Bank and the Ministry of Economy and Finance, trying to find a way for USAID to influence the technocrats who might be able to help the Peruvian political leadership understand that it was in their interests to meet their obligations even if it was at a minimal level. The economy was going south. Revenues were way down. In the countryside the terrorist group Sendero Luminoso [the Shining Path], a group that followed Chinese revolutionary philosophy attacked government installations and leaders of rural communities while the urban based terrorist group, Tupac Amaru Revolutionary Movement [MRTA], which was linked to Cuba attacked banks in towns and cities. The Shining Path had no problem murdering people who stood in their way. The MRTA planted bombs at banks that would go off at night when there was no one around, so it carried out acts to create fear rather than to kill. People were nervous, the government refused to pay its international debt and revenues continued to drop.

To confront this security problem the Garcia government established martial law and required people to be off the streets after a certain time at night until the following morning. Returning on a late-night flight from home leave, we had to obtain safe conduct passes from the military at the airport in order to have an embassy car drive us from the airport to our home in the suburbs. All along the way we encountered heavily armed men with ski masks at checkpoints. When the driver lowered the window to show our safe passage pass, men with AK 47 rifles pointed them directly at us. This was of great concern to all of us in USAID.

Meanwhile Hernando de Soto, the Peruvian economist and head of the Institute of Liberty and Democracy, [ILD] with financial support from USAID Lima, was conducting research on the role of the informal economy in Peru. In his classic book on the informal economy, he looked at the reasons why poverty could be a breeding ground for terrorists, and he described the forces that kept people dependent on underground economies: bureaucratic barriers to legal property ownership and the lack of legal structures that recognize and encourage ownership of assets. President Reagan, in a 1987 address to the U.N. General Assembly recognized the work of USAID's grantee. He said, in part: "We're all familiar with the phenomenon of the underground economy. The scholar Hernando de Soto and his colleagues have examined the situation of one country, Peru, and described an economy of the poor that bypasses crushing taxation and stifling regulation. This informal economy, as the researchers call it, is the principal supplier of many goods and services and often the only ladder for upward mobility".

De Soto went on to write several books on this subject such as *The Other Path* and *The Mystery of Capital*. In addition to this research ILD wrote dozens of laws to help promote property rights and bring people out of the informal economy and into the

legitimate one in Peru. I was proud that USAID directly supported a lot of this work. The result was not only an improved economy in Peru but one that may have contributed to the defeat of the Sendero terrorist movement in the 1990s.

During this difficult period USAID Lima was confronted with the need to implement its operational year budget in support of Peru's development yet without a policy breakthrough on the Peruvian side USAID could have lost the rest of its budget and possibly put the entire program at risk. Mission management tasked me to find ways to address this debt issue. I supported negotiations by providing detailed reporting on portfolio implementation and potential. I also assumed responsibility within the mission for ensuring that implementation documentation was expedited and decisions leading to disbursements were made in a timely fashion. I worked with key Central Bank staff to consider incentives to the Peruvian government to repay part of its debt to the U.S. which would allow USAID to provide the grant resources to fund critical project efforts. Staying out of sanctions didn't require large sums of money but it did require overcoming policy differences. In terms of new resources, the mission had to address legislative restrictions contained in Section 620q of the Foreign Assistance Act as well as the Brooke Amendment which governed the policies associated with being able to provide assistance to countries that were in arrears. I spent months searching for options and a way forward, with the complete support of mission leadership and the Ambassador.

I worked through the Central Bank General Manager's special assistant who understood the issue, saw the benefit of keeping USAID funding flowing and helped me convince the General Manager that minimum payments on its debt with the US would keep assistance flowing and that the assistance was critical to meet Peru's development needs. We provided several scenarios explaining to the GOP the cost-benefit of making payments to keep USAID funding flowing and continued project and program assistance implemented.

It might seem odd to some that the donor was trying to convince the host country it was in their interest to work with the United States and honor their debt obligations, but the political situation was worsening, and foreign assistance flows were one of the few tools available to the U.S. to help the Peruvians succeed. The technocrats were not the problem, it was at the political level and therefore Ambassador Watson worked the political levers with the Peruvian government including with the President. An interesting aside—Ambassador Watson and President Garcia were both around six feet four inches tall and the joke was that no other foreigner could look Garcia directly in the eyes. After many negotiating sessions the Central Bank came through and the GOP made payments of arrearages in late September, and we were able to obligate the remainder of our budget in a period of only ten days. DR did great work in leading this set of tasks. Unfortunately, the next year the GOP slipped into arrears again and we were back to the table once more.

Q: During this period how did this affect your ongoing loans? Once the program was implemented, they were not affected by this?

SILVERMAN: Projects that required additional resources were affected and so in order to implement the approved budget we had to have access to new resources, or the projects could have run out of funding. If we were forced to curtail projects, we would have had to consider winding down projects and addressing legal issues that might have come about. Yearly funding needs were based upon a series of spending plans and if additional obligations were not made, then the projects could run out of funding and come to a screeching halt. This might have created legal and contractual problems. The Peruvians appreciated the work USAID was doing to support their efforts, but politics sometimes trumped good judgment.

In this context and with the continuing challenge to keep funds flowing to our projects, mission management tasked me to assume that no further payments would be made by the GOP and to review options and authorities available should USAID need to phase out assistance. I developed an extensive plan, covering the whole project portfolio to guide phase out decisions and had to carry out this exercise in a professional way so as to minimize effects on staff morale. This exercise was not to my liking but needed to be done. Winding down the program was not what we wanted to do.

Even though no new projects were to be funded as development loans, past loans that caused arrears would directly impact the provision of grant resources for the new portfolio. The DR office, where I was the director, was one of the mission units that changed functions over time depending upon mission management approaches. Under Director Sanbrailo the DR office was the largest of six major units containing both staff and line functions including capital development, private sector, disaster relief and reconstruction, engineering, special projects and Housing and urban development. I was asked to develop a special projects division to provide complementary support to the narcotics control and eradication efforts of the embassy by strengthening and expanding a large rural development initiative in the Upper Huallaga valley where much of Peru's coca crop was grown. In Peru the narcotics trade, from growing coca instead of legal agricultural products, was dynamic and highly efficient. Traffickers would bribe the local police so that small planes could land on dirt strips in the Upper Huallaga Valley and traffickers would pick up sacks of coca leaves (paying cash to the farmers). This was and still is a huge national security policy issue.

We were aware of the routes through Colombia and Mexico. The narcotics section of the embassy pushed the Peruvians to reduce the size of the coca crop while the USAID program searched for crop alternatives and other ways for farmers to create some wealth. Unfortunately, from an economic standpoint few crops could compete with coca and the financing mechanisms working with government banks were highly inefficient. Surveys also indicated a growing drug problem within Peru. Complementary to the rural development initiative we helped initiate USAID's largest investment worldwide in improving host country public awareness of narcotics issues.

In 1987 Director Sanbrailo was transferred to Honduras and a new Director, Donor Lion, arrived. The security environment continued to deteriorate, and the USAID program labored under congressionally imposed narcotics sanctions and the Peruvian

governments' continued arrearages on its debt to the US. government. The new director decided to separate staff and line functions in my office, and staff functions were transferred to another office while my line functions expanded. Given the nature of disaster activity in Latin America, we established a small disaster preparedness unit with the assistance of the Office of Foreign Disaster Assistance [OFDA] that would serve regionally, working with civil defense organizations across Latin America. OFDA carried out training with these different organizations and provided a forward location to help mobilize host countries and the U.S. when disasters hit, and hit they did.

I mentioned earlier that we had some internal issues in the embassy with the Ambassador and the DCM not getting along very well. That had an impact on the ability of USAID to get messages to the embassy front office. Thankfully with the arrival of Ambassador Alexander Watson, who had been DCM in three embassies in Latin America, our embassy and USAID leadership worked better together and had a singular message. I was learning that being able to place individual programs and activities into a much broader foreign policy context was critical when dealing with senior executives. I prided myself in not pushing USAID project priorities but putting projects into a framework that helped senior leaders understand the value of investments and to focus not on promises but the achievement of results and the relationship to U.S. foreign policy.

In Egypt and in El Salvador I developed results reporting that I shared with ambassadors and assistant administrators as well as with congressional oversight staff. Effective reporting of results also helped us address issues raised by external reviewers. Placing the value of what you do in the context of a more strategic view of problems and opportunities was important and during this time I learned that writing for busy executives (like Ambassadors and Ministers) isn't something that USAID officers necessarily excel in. I worked with staff to improve their communications, whether in the speeches prepared to highlight USAID investments or in reporting to the Congress and the executive branch.

In between the change in USAID leadership in Lima I became the Acting Deputy Director during a challenging summer, with increased terrorism, major narcotics issues affecting our assistance and the continuing debt repayment problems. With great teamwork we kept the program going, including successfully negotiating two major food assistance agreements that would generate local currencies in support of development investments over several years. I led this effort and was proud of everyone on the staff who participated in the long and complex negotiations with the Peruvians. This was my first exposure to help lead a USAID mission.

With the arrival of Donor Lion, a senior economist with a long foreign service career with the State department and with USAID, the mission had a director who was both a strategic thinker and a scholar, with a different management style than his predecessor. Donor was part of a tandem couple. Linda Lion was an excellent project development officer who I supervised during her first year in country; imagine that dynamic! Donor was a great teacher, a leader who was well liked and personable but with an economics doctorate he tended to be a bit professorial, and he liked to lecture the Peruvians on the

importance of sound economic policy. With the challenges facing Peru and the flashy leadership of President Garcia, there wasn't a great deal that we could do to influence Peru's overall economic strategy and APRA's approach to governing. USAID was in a holding pattern trying to keep our development program moving forward in areas where implementing ministries were cooperating and thankful for the assistance, but the larger political issues continued to get in the way.

Q: Mark, before you, I am following up. So, you talked about the interesting situation of having tandem couples. What were the challenges? Were there challenges? Or was it just like two ordinary people just being at the post.

SILVERMAN: Well, I probably shouldn't talk too much about this because it is just my perception. Let's say that some tandems could easily separate their roles and their functions in terms of their public and private lives. There were others who seemed to mix them together and not create the space that was required. So, I think it depended on the individuals and how they interacted with each other on the job. I would say that supervising and writing the performance report for the Director's wife was a bit complicated. I was happier when Linda transferred out of my office and became the multi-sector technical office chief.

I want to point out that because of the narcotics issues with Peru and the U.S. government's concern with Peru's role in the production of coca, USAID focused increased attention on the Upper Huallaga valley where the coca was grown and where the traffickers operated with some degree of impunity. The basic problem was economic—no legal crops could compete with coca and the financing system was efficient as the traffickers bribed the police force and landed small aircraft on dirt strips while paying farmers cash on delivery. No government financial institution could manage to operate so efficiently. The GOP attempted to support alternative development but at the same time worked to eradicate coca with U.S. embassy support. These actions did not allow for warm relations with the farming community. It was to some extent a hopeless cause. Traffickers operated throughout the valley and the Shining Path threatened and then killed many local leaders who were involved in promoting alternative development opportunities for local farmers and who were working with the GOP.

Availability of drugs became an issue of concern in Peruvian society. Leading Peruvians asked us to assist in the creation of a nongovernmental organization called the Center for Education and Information for the Prevention of Drug Abuse [CEDRO]. CEDRO was a public awareness organization made up of some leading social scientists who were trying to initiate programs that would promote community development, address education issues and the need for increased public awareness about the danger of drug use. Alejandro Vasiliqui was its founder and Carmen Macias was the co-founder. It is a tribute to their leadership that thirty-seven years after CEDRO was launched, the organization has grown, has the support of many other donors and local groups and is supporting community efforts across Peru. They have expanded outreach to include promoting indigenous businesses, healthy lifestyles and a culture of legality while promoting awareness of the dangers associated with drug use.

I was promoted to FS-1 at the end of my tour.

Q: You are preparing to leave Peru, right? At that point what was the relationship between your programs and your contact between donors' cooperation.

SILVERMAN: I think the European Union was becoming more and more involved. We tried to get the United Nations also involved but frankly I don't recall any major bilateral donors besides the U.S. The terrorism issue was paramount. Martial law was not a welcoming policy although people felt safer when they were home. The Garcia administration was trying to contain the terrorism challenge. With all of this going on we used to joke that the Peruvians loved to party so they would start the party in the evening and stay overnight until martial law was lifted—six am the next day and then go home.

Q: Can I ask as you saw the MRTA and the Sendero Luminoso, both in force. Did in any way their actions affect the programs USAID Peru was implementing?

SILVERMAN: The Shining Path certainly did because they killed local leaders and members of their families living in the Upper Huallaga. There were reports of people coming up on motorcycles carrying pistols and just killing village people, leaving notes that threatened to kill the family members of those who cooperated with the government's programs. All this terrorism had a negative impact on people's willingness to cooperate with the alternative development program that was designed to help rural farmers earn legal incomes and have some basic services available for the community. In a sense Sendero terrorized people away from cooperation, even though that cooperation tried to help improve their lives. Sendero represented a revolutionary political philosophy that hoped to take control from the countryside and then lead to a takeover in the cities. The security environment also had a negative impact on USAID's ability to staff positions as few officers wanted to come to a danger pay post, and many were concerned with the viability of the program. Fortunately, Sendero failed although Peru has since had its political ups and downs.

Now it appears that Peru is struggling with a series of political issues, corruption and significant challenges to its democracy. Nevertheless, we spent four interesting years in Peru; a beautiful country with friendly people and we had made many friends. Before the security situation became serious, we had the chance to travel around the country, to Cusco and Machu Picchu, to the high Andes mountains, (over 15,800 feet in elevation) and to the Amazon jungle. We also spent time in the Peruvian desert near Nazca, where Pisco is famous, and to the beaches near Ecuador. We took advantage of travel opportunities in the neighborhood by visiting Chile, Argentina and Brazil. I remember being in a taxi in Santiago, Chile and chatting with the driver about life in Chile compared to Peru. In the driver's view, if we called Peru democratic then he was happy to have a military government running Chile since the economy was booming and things worked for everyone (at least that was his point of view).

On a working level the last couple of years in Peru was very intense for everyone in the mission yet it turned out to be a great training ground for me. Cairo provided me the opportunity to learn about the entire project cycle, how we design and implement major investments and a lot about U.S. government policy and how one could be effective in an organization. The exposure of having a seat at the policy table in Peru was a valuable management experience that contributed to my learning about aid effectiveness and leadership as well as how individual officers might be able to have an impact outside their narrow job description.

It proved to me that despite the poor security environment and difficult legal and policy challenges we faced, with the right leadership USAID could accomplish a lot that would benefit the Peruvian population. Being focused on how we might operate in a difficult legal and security environment I felt that one of the outcomes was the ability to be more resilient. After completing my assignment in Peru I had been overseas for almost twelve years and I thought an assignment in Washington was an important step in building an understanding of how the entire Agency functioned. Field perceptions of Washington are often guided by one's own experience with the bureaucracy. I thought that understanding the interagency process was an important step I needed to take.

Q: Can you tell us what year you returned to Washington?

SILVERMAN: Summer of 1988 which was the end of Reagan's second term and Dwight Ink was the Assistant Administrator of Latin America and the Caribbean [AA/LAC]. I don't know how many people know of Dwight Ink, but he passed away about a year or so ago at age ninety-nine. He was a force in public administration since the Eisenhower administration and an individual who was a micro manager but also a metric manager. I first encountered him on a visit to Peru when we took him to the Upper Huallaga valley to look at what U.S. government investments were doing to address the ongoing coca crop problem while strengthening alternative development opportunities for the local population. He was a demanding manager who wanted answers to his many questions and during that trip he was tough on all of us. In my experience Mr. Ink was much too involved in the detail, but you had to address the detail if you were going to convince him to agree to anything. To be effective in that environment you had to be prepared to talk about the small stuff and be prepared for some tough questioning. While he had a great deal of experience he wasn't much of a listener, and I sensed when he had made up his mind he was unmovable.

I was assigned to LAC's Office of Development Resources [DR] as the South America fiancé division chief. The division was responsible for coordinating the review and authorization of all new projects in South America as well as the implementation monitoring and backstopping for all projects in those countries. At this time USAID/W approved all project and program documents as well as action plans that put forward plans for the coming fiscal year. Missions would send their representatives to Washington to present their new project or program proposals, and we would coordinate the reviews and draft issues papers and guidance cables to the field. It provided LAC with the opportunity to structure the final reviews of programs and projects. The Deputy

or Assistant Administrator would chair the final reviews- all of these preceded delegations of authority to the field.

Learning to analyze project and program proposals from countries around the region, and negotiating the resolution of complex issues affecting major programs, provided strong support to the implementation of field programs and enhanced the prospect for achieving results. By coordinating the portfolio implementation reviews of all the South American missions, the Bureau was able to help Missions address key issues in their programs and enhance overall implementation. We also played an important role in revising the LAC bureau's oversight of programs in the bureau's six advanced developing countries (Mexico, Brazil, Colombia, Chile, Uruguay and Paraguay) which helped these small programs focus and concentrate resources on more achievable objectives. At that point in time missions had to submit action plans on what they were going to do for the following year.

Q: This was the time of the logical framework matrix. What was our view of the Log Frame? I think it would be interesting for the reader.

SILVERMAN: The log frame was a conceptual outline of how you were going to provide inputs to achieve outputs and results. So, it was a way of getting people to think logically, framing your attempt at addressing a development problem and how would you evaluate success. I'm making it sound simpler than it was. But how would you achieve the intended results that you had to be able to articulate? What would be the result impact of the initiative? I think for officers like me who didn't have this kind of exposure before, the log frame was a helpful tool for designers to conceptualize what needed to be accomplished in order to achieve proposed results. When I started the IDI program the logical framework was already in place, and we received training on its value and use. Having been involved in many project designs I found the framework to be a helpful mechanism to facilitate critical thinking as you focused on a development problem.

Q: So, I was a great believer in the log frame and then updating it. I think it is interesting to note that USAID was one of the organizations that got rid of the log frame, but other donors continued using it. Anyway, continue.

SILVERMAN: In my view USAID has had too many reorganizations but that appears to be the nature of politics in Washington. I had the experience of working with a number of administrations during my career, and oftentimes a new group would come in after the election and the representative of that campaign's political philosophy was chosen to be Administrator and the political Assistant Administrators and others from the campaign brought their political philosophy into the organization. Sometimes it was a rejection of the last administration's philosophy and everything they did was seen as unhelpful, not too different from what we encountered in the field with the changes in host country governments. Perhaps not as abrupt because of our checks and balances but to me the bottom line was that every administration had its political priorities and many of the leaders just didn't trust the career employees' views. I encountered this during my Washington assignment, but foreign service officers have to support the policies of the

administration that won the election. I'm sure you remember the Clinton administration's views on reinventing government and Larry Byrne's disastrous new management system. Frankly the impact of the reduction in force at USAID set back progress and negatively affected staff. We lost a lot of our technical expertise and had to address that issue head on in the early 2000s. When I was leading EGAT in 2009 I helped implement the new Development leaders Initiative [DLI} to try and rebuild the agency's technical expertise.

I'm not sure when the log frame was eliminated from the tool kit. Sometimes these political views can be difficult to deal with and as I rose in the organization and had more direct contact with the political leadership, at several levels, I had to watch my tongue, so to speak.

Q: Very thoughtfully put, Mark, thank you.

SILVERMAN: I have had some challenging experiences with political appointees like Mark Schneider as AA/LAC, but I will not go there now. Regarding the South America programs let me talk a bit about Dwight Ink who was AA/LAC until 1989 and then he was replaced by Ambassador Jim Michel. I spent a year as South America division chief and as I mentioned Mr. Ink was a process type of manager who spent a great deal of time in the weeds trying to promote efficiencies but sometimes not focusing on more strategic concerns. As I remember him, he wasn't very friendly or open, especially to the career staff. Jim Michel was thoughtful and with lots of substantive experience, first as a State Department legal advisor and senior official, and then as Ambassador to Guatemala where he worked closely with the USAID mission.

Jim Michel was very much a strategic leader. For example he was concerned with the exposure that USAID might have with programs in the Advanced Developing Countries [ADCs] such as Mexico, Colombia, and Brazil. In these countries we had one USDH with a small FSN staff and the USAID representatives launched programs with an entrepreneurial style of management, seeking funding from central USAID bureaus, often without LAC vetting, that may or may not have been consistent with LAC priorities and with minimum management oversight. At Michel's request I led a bureau review of how ADCs' program funds were obtained and the review identified vulnerabilities in how these programs were being funded and managed. Jim Michel then tasked me and the Deputy Director of South American Affairs to visit these three countries and carry out a comprehensive management and programmatic review of their programs. On a two week visit we met with the USAID representatives and their staffs, with leadership in the embassies and we visited various project sites. At the end of our trip, we recommended local staffing and programmatic changes to improve program performance and lower vulnerabilities and to bring the programs in line with bureau policy. The recommendations were fully adopted by the LAC bureau leadership.

Q: Mark, you were able to compare and contrast the management styles of the two assistant administrators. What did Jim Michel bring?

SILVERMAN: From my own experience Jim Michel was a great mentor. He was well informed, was a strategic thinker and had a strong commitment to development, the administration of justice and human rights. He brought years of policy experience from his work at State department. Since he was Ambassador in Guatemala, he also had a field perspective that most of the political leadership did not possess. While he was demanding he was fair, and a good listener. If he trusted you, he would give you a great deal of leeway and responsibility and I was given opportunities to lead on assignments I never imagined I would do.

Fred Schieck was the Senior Deputy Assistant Administrator [SDAA] who was then followed by Aaron Williams. Since I was the most senior project development officer in LAC/W, management asked me to move up to be Chief of the Central America Finance division, the highest profile division in the DR office. This job was extremely challenging and required strong management skills as the five Central American [CA] programs (with a budget of almost \$800 million a year) required considerable Washington support in the supervision and coordination of reviews of policy-based balance of payments programs, coordination of action plan reviews as well as semi-annual portfolio implementation reviews for all CA missions. For example, the issues papers we prepared for the cash transfer programs focused on the impact such assistance would have on country policy and growth and allowed for decision meetings, led by the AA or SDAA to be short and focused on the most important issues at hand. This approach provided me with the opportunity to chair the issues meetings and develop the final issues papers for front office decisionmakers.

Depending on which party was in the White House the contrast was often about the role of the private sector vs the public sector in our programming, which was always a balancing act and required career staff to work within any new political framework. When I moved to the CA finance position, I helped manage a program called the Trade Credit Insurance Program [TCIP]. At that time Central America was not a place where banks were very comfortable financing trade and issuing letters of credit because of conflicts in the region and concerns with payment mechanisms. The Export-Import Bank [Ex-Im] had the TCIP facility to deal with the issue, but it required some type of guarantee to make it work in case any short-term credit transaction through the banking system were to fail. USAID provided around \$60 million in a reserve fund as a symbol of support. The program was incredibly successful since more than \$400 million of letters of credit went through the banking system and USAID was never asked to draw down on its guarantee.

Given the high policy priority and significant program budgets for CA missions along with the central role played by our office in accomplishing LAC/W oversight tasks, one would have expected USAID/W to provide adequate staffing. Since the operating budget did not allow that to happen, we looked for out of the box options and found one in the recruitment of Presidential Management Interns [PMIs] to help fill the gaps. We succeeded in bringing on board two talented PMIs who were quick learners and exceptionally helpful in managing our heavy workload. It was easy to coach them. Not only did they demonstrate a great deal of talent with their CA program work, but both

made career decisions to stay with USAID, transferred into the foreign service and became senior foreign service leaders in the agency.

Based on the quality of the division's work and my own recommendation, LAC senior management agreed that LAC/W would change oversight policy by handling portfolio implementation reviews of missions only once a year and in the off cycle our staff would coordinate reviews in the field. This process was adopted by LAC leadership as an important first step towards decentralizing decisions which later led to missions managing their portfolio reviews with LAC staff participation.

In late 1989 and all of 1990 both Panama and Nicaragua popped up on our priority agenda.

Q: I am going to stop you there because I know that this is going to require a good bit of focus and I want to make it a clean one.

Q: Today is Tuesday, January 30, 2024, and we are continuing with Mark with his description of his role as the Central America finance division chief in the LAC bureau and hopefully going to his spot as deputy director for five years in Nicaragua. So, Mark, welcome.

SILVERMAN: Thanks Marcy. 1989 was an extremely busy year for USAID in Central America because of the significant political issues in Panama with the leader of the military and de facto ruler of Panama, Manuel Noriega. Panama was devastated by several years of his mismanagement and was under sanctions imposed by the U.S. that focused on the flow of drugs and drug money. Noriega shut down much of USAID's program by demanding a significant reduction in U.S mission staffing. The challenge faced was how to help the Panamanian people and not work directly with the Government of Panama (GOP).

The AA/LAC asked me to conduct a field assessment of the Panama program and recommend a set of procedures to implement the program without a USDH presence in country. I spent several weeks in Costa Rica with USAID Panama and state department staff, including key FSNs to work this issue. We recommended a series of guidelines that were agreed to by the state department and USAID/W that called for a senior embassy officer to coordinate USAID work through private and voluntary organizations, thereby excluding any assistance to the GOP. An interesting fact worth mentioning; Embassy Panama's economic counselor who was selected to coordinate USAID assistance was John Maisto, a talented officer who later became Ambassador to Nicaragua during my assignment there. He would often kid me about his experience "working like the USAID Director" in Panama.

In the meantime, there was an election in Panama and Noriega's thugs threatened and then beat up the vice president elect whose battered face was pictured on the front page of

Time magazine. Noriega wouldn't allow the winning opposition to take office. The relationship with the GOP worsened which led to the USG invasion of Panama in late 1989. After the invasion had ended, Panama was in desperate need of assistance since during the invasion a section of Panama City near the military headquarters was destroyed. As I recall there were about 4,500 people without a place to live and that was where I met Bob Gersony, a great humanitarian and consultant with considerable conflict related experience. With Office of Foreign Disaster Assistance [OFDA] help, Bob led USAID's effort to provide food and temporary shelter for the people who lost their homes from collateral bombing damage.

During a long temporary duty trip to Panama, I worked with the new Director, Tom Stukel, to develop an emergency program which included promotion of low cost housing solutions, temporary food and health assistance and small business reactivation. In a very short period the agreement was finalized and negotiated with the newly elected GOP leadership, the emergency recovery agreement was signed, conditions precedent to disbursement were met and counterparts rapidly began implementation. However, one of the most unusual experiences I had during my USAID career took place at that time. As I noted we rapidly put this program together and Dean Hinton, a legend in the state department, was the new ambassador to Panama. Did you ever meet Dean Hinton?

Q: Yes.

SILVERMAN: There were stories about him starting back in WWII when he was working on Japan issues. He was an extraordinary character. I attended country team meetings representing USAID and Hinton would be sitting in his chair with a big Cuban cigar, acting like the conductor of a symphony as to what the next steps were with the program and how the U.S. government was going to interact with the Panamanians.

Guillermo Endara was the new President of Panama who was, shall I say, a little overweight and his doctors wanted him to lose weight. He had a nurse who monitored his health during specific periods of time and Mr. Endara used to spend time resting in the National Cathedral. Perhaps he did this for meditation purposes, I wasn't sure. In any case, we were told by the office of the president to go to the National Cathedral to sign the \$41 million bilateral recovery agreement. I brought all the documentation to the cathedral, and of course candles were burning there, and the press was waiting outside. The GOP was keeping the press away to maintain a quiet environment inside and there were several tables set up for the signing between the President, Ambassador Hinton and USAID Director. Apparently Ambassador Hinton didn't like the pens that I brought to the signing ceremony because they were simple government pens, not treaty pens as used by the department and after a few caustic comments aimed at me, he signed the agreement with the pens that I brought. The whole scene of signing an international agreement in Panama's National Cathedral among the hundreds of burning candles was nothing short of eerie and an unusual work experience that I can't forget.

Q: Absolutely.

SILVERMAN: After the agreement was signed work began in earnest to help generate low-cost shelter solutions for these people who were angry about having to stay in gymnasiums and other buildings with minimum privacy. We ensured that the Panamanians had food and shelter and access to basic medical services. At the start of the emergency assistance program there were only two USDHs in place; Director Stukel and yours truly. Every day many U.S. Army National Guard officers would visit our office to offer their troops assistance to carry out small scale construction activities. While the military wanted to be helpful the Army wouldn't authorize any funding from their budget; their legal staff was clear. They had no authority to spend funds on projects, and they hoped USAID would finance their proposed activities. There were hundreds of Army National Guard staff available but not a dollar of funds to do any work. I thanked the many officers who would visit the office for their interest and told them that USAID wouldn't be able to provide funding for the U.S. military because we weren't authorized to do so by Congress. The majors and the many colonels were not happy with my answer and were unsuccessful in their attempt to find USAID financing for army projects.

When the GOP shut down the program USAID had to reduce FSN staff to a bare minimum and while most of the USAID FSNs were still in Panama, they weren't knocking on the door to return to a complicated work situation. Fully reestablishing a mission in Panama in 1990 was a challenge, almost requiring a complete reestablishment of the mission. I hoped we learned a good lesson; before closing down a program and shutting off the lights, consider developing a plan for what would be needed to re-establish a USAID mission and program sometime later on. Prepare a plan!

As the new Panama mission and program was ramping up, the LAC bureau needed to support the mission's efforts to recruit staff and rapidly put into place the structure required to accelerate implementation of the \$420 million program through field visits and backstopping in Washington. The LAC bureau received a lot of White House oversight during that period, and I was heavily involved in helping address obstacles affecting the implementation of local credit programs that weren't moving funds quickly and helped the mission address several design flaws under the \$350 million cash transfer program. The Mission requested LAC assistance, and I went to Panama and helped redesign an environmental initiative and subsequently we finalized the Washington approvals of several key initiatives under the new program.

In early 1990, Nicaragua had its election which resulted in consequential changes to the political situation there. The Nicaraguan election outcome was a surprise to many. Dona Violetta de Chamorro ran against Sandinista leader Daniel Ortega and won. The second surprise was that the Sandinistas agreed to a peaceful transfer of power. Janet Ballantyne was named the new USAID Director, and she quickly traveled to Managua to put together a short-term strategy for USAID assistance to Nicaragua. The economy was in great danger; in 1990 the inflation rate exceeded 7,000 percent, consumer goods were in short supply, petroleum availability was limited, productive capacity was falling, and consumers were hurting.

I believe the last USAID mission closed its doors in 1980-81. As there had been no USAID presence in Nicaragua for almost ten years there was a need to immediately find some temporary office space and the embassy provided an office for USAID to use. LAC sent me to Managua on the first of several priority visits to lend a hand and support Janet's efforts to launch the short-term strategy, help start designing critical program components and support actions to establish the USAID presence. USAID sent out a world-wide cable requesting volunteers for Nicaragua and there was a terrific response. With staff arriving in Managua on short term visits, the embassy office space became inadequate for the growing mission. Nevertheless, a series of program and project proposals were rapidly developed and submitted to Washington for review and approval. On another visit I helped draft a second balance of payments/cash transfer program document and upon returning to Washington the LAC Bureau accelerated the review and approval of the program and a major disbursement was made four days after approval. This required close coordination with the office of management and budget and the treasury department. The National Security Council [NSC] staff demanded a daily report on what USAID was doing to help Nicaragua which required drafting summaries of actions on all initiatives ranging from developing new primary education textbooks to promoting democratic initiatives. They also wanted to know what USAID was doing to help reactivate the Nicaraguan economy which was in freefall. Fortunately, Jim Michel was the interlocutor with the NSC, and I only had to produce the briefing materials. Washington approved an initial total of \$300 million for the Nicaragua program and the task was to help ensure that projects and programs reflected Administration priorities and demonstrated that USAID could respond quickly to foreign policy priorities. Coordination of Washington based work with State, the NSC and with USAID senior leaders on a daily basis was, to say the least, stressful.

An example of one initiative that USAID carried out early on was developing new primary school curriculum by designing new textbooks with nonpolitical content. If you have ever seen the primary school textbooks that the Cubans helped Nicaragua develop in the 1980's you would see some interesting political educational concepts.

Q: As it turns out I was USAID education officer when they were developing that curriculum in 1980 when we went in. It was a fascinating experience watching them do it. So yeah, that is interesting.

SILVERMAN: One example of politics at the elementary level was in the Cuban math textbooks. To promote addition the book asked questions and developed drawings along these lines: "If you found one grenade underneath the table and three grenades in the backyard, how many grenades would you have?" They would do these examples for utilizing rifles or shooting "gringos" as its revolutionary approach to learning. Basic math was more than math; it represented a political indoctrination mechanism.

Much of the initial year's work at the mission level was trying to find housing for staff and to locate permanent office space. These tasks were made difficult as there was limited infrastructure. Finding housing that met Office of Foreign Buildings Operations [OBO] standards from a depleted housing pool, establishing secure office space,

recruiting FSN staff and launching the program were all challenges. In the first cash transfer program agreement USAID included language that would allow the agency to use host country owned local currencies to help finance the cost of the office space, thus reducing operating expense budget needs. After many months of review by Washington agencies the mission was given the OK to purchase a local building with host country owned currency and with some additional construction work, we made it secure enough for state department approval. This action saved the U.S. taxpayer almost five million dollars since there weren't any rental payments that followed.

The new President of the Central Bank, Francisco Mayorga, was a Yale -educated economist, and he developed an ambitious economic recovery plan that was supported by USAID which included launching monetary reform. Janet Ballantyne was the key interlocutor with the government of Nicaragua [GON] at post and in Washington briefings, and USAID technical and financial support was critical in the restructuring process that led to a stable currency and greatly reduced inflation from over 7,000 percent in 1990 to roughly thirteen percent in 1993. Imagine this, in March 1990 the exchange rate was 200,000 cordobas to the dollar. Before the reform the GON had to add three zeros to every bill in circulation. Ten cordoba bills became 10,000 and twenty cordoba bills became 20,000. With the introduction of the new Cordoba Oro, the exchange rate was stabilized.

Traveling around the country one would encounter large industrial enterprises that were developed with support from Yugoslavia and Bulgaria with technologies that were no longer allowable in international commerce because of the health dangers in canning, for example. In some ways they were like industrial ghost towns generating no revenues; investments that didn't generate jobs or income for Nicaragua. The Nicaraguans traded their raw materials for this assistance and in the end got very little from the arrangements.

USAID encountered many issues with housing, from legal problems with property titles to homes that had been stripped of plumbing and lighting fixtures. The Cuban embassy staff had occupied homes that were considered by USAID for lease; apparently the Cubans believed the United States was going to invade Nicaragua and the occupants had dug trenches in the inner perimeter of the yards, where they might defend their properties. In addition to the quality of life issue there were legal issues with ownership of homes and productive enterprises that were taken from their original owners through the "Sandinista pinata". This was a clear case of corruption and the taking of private property by the Sandinistas before leaving power. The Sandinistas transferred the ownership of a large amount of real estate and public property to their related organizations and to their leaders personally. There were thousands of lawsuits against the GON by former owners and this problem plagued U.S. assistance efforts for the five years I was in country. Before USAID would sign a housing lease, we completed a comprehensive legal review of the documentation to ensure that the title was clear and not connected to the Pinata. More on this later.

In addition to the above challenges, the civil conflict in El Salvador had finally ended and the Salvadoran Peace Accords were being negotiated. The U.S. couldn't wait for the

negotiations to be completed, and a treaty signed to start thinking about the day after. AA/LAC Michel assigned me to assist USAID, the state department and the Government of El Salvador [GOES] to develop a national peace and recovery program. On the first trip to El Salvador, I worked with the Ministry of Planning to develop a strategic framework for national reconstruction, laid out a draft plan to turn the strategy into action and helped identify issues that needed to be resolved. On the second trip, as part of a USAID-State-Department of Defense team, I met with senior GOES officials to help clarify post-conflict policy, resolve issues and refine program design. Finally, I represented USAID/LAC in the joint USAID/GOES review of the comprehensive program clarifying program scope, the role of the United Nations and other donors and the U.S. military. In Washington I helped organize the interagency review and the approval of the final program. It was quite an honor to represent USAID in program negotiations at the Policy Coordination Committee which was led by the Assistant Secretary of State for Western Hemisphere affairs. I also spent time on the Hill helping brief house and senate staffers on the proposed program and when the program was placed on hold by the congressional oversight committees, I accompanied Ambassador Michel to Capitol Hill to help convince house appropriators to lift the hold on program funding, which they did. After the interagency review and approval, we facilitated the final authorization of the \$250 million program. It was quite a learning experience to work through a whole of government policy initiative that needed to satisfy multiple agency requirements on an important foreign policy initiative.

In April 1991 I was promoted into the Senior Foreign Service and in the summer of 1991, I received a superior honor award by USAID Administrator Roskens in recognition of my leadership in the rapid initiation and implementation of new USAID assistance programs in Panama and Nicaragua.

One of the priorities that Ambassador Michel had was to develop an LAC assistance strategy for Central America for the year 2000. It's interesting to reflect on this in 2024. In 1991-1992, we were thinking about CA's future and how we might be able to help CA do things differently; the idea of not having only an assistance relationship but looking at trade and investment as a key element of government strategy. The LAC bureau led an effort to develop the Central America Strategy 2000 paper. Jim Michel asked me to help coordinate this important initiative. The objective was to help countries with democratically elected governments, and the team continuously touched base with Ambassador Michel to review various concepts, and obtain his complete buy-in. Later in this process Michel asked me to co-chair the drafting effort; I can't remember who the other individual was, but I remembered Michel saying there was power in the pen. After some months the strategy was completed and approved and it set the framework for future assistance to the region.

There were attempts by other Agencies to try to hijack the strategy along the way, but USAID held onto the leadership role and was able to incorporate certain views from different agencies. This was accomplished before the Central America Free Trade Agreement [CAFTA] which focused on enhancing trade opportunities and was led by the U.S. Trade representative [USTR]. The USAID/LAC bureau assistance strategy for

Central America was an important first step in focusing LAC programs on supporting local agricultural trade opportunities before a regional trade agreement was in place. In fact, CA Missions used scarce budget resources to finance targeted technical assistance and training opportunities with CA public and private sectors to help develop greater capacity to export and generate increased incomes for targeted populations.

After four interesting years in Washington, I was ready to return to the field. USAID's Senior Management Group approved my selection as Deputy Director in Nicaragua. This looked like a terrific career opportunity as I could step in without much training and continue to work with Janet Ballantyne and her team. I had the strong support of the AA/LAC and his deputy which was key to this priority assignment however over the years the decision-making process has changed to consider the regional bureau leadership recommendation but also to factor in a number of other inputs from central bureaus and the Deputy Administrator.

In my view it appears that the Agency has downplayed the importance of recruiting senior managers strongly endorsed by the sponsoring bureaus and the importance of the hosting bureaus in the selection process of senior agency managers under their supervision. Fourteen years later, when I was the SDAA in LAC, my recommendation for selection of a candidate for director or deputy director positions in LAC missions was an element but not necessarily the most important factor in the recruitment process. Other bureaus, the human capital staff and the deputy administrator played significant roles, sometimes they would overrule the "hiring bureau" which complicated the regional bureau's recruitment process.

In the summer of 1992, we arrived in Managua to start a new chapter in the USAID experience. For anyone who has visited Nicaragua, there are two seasons: the hot dry season and the hot rainy season; it's never cool. Disembarking the aircraft, before there were air-conditioned tunnels, we were hit by blasts of hot air. The mission director met us inside the airport building and we set off to our new Managua home. The next morning I was busy at USAID offices meeting all of the staff and seeing how I could help the mission move the agenda forward .

Q: Mark, where was your house?

SILVERMAN: It was in Las Colinas.

Q: Which entrance?

SILVERMAN: The road to Masaya, at the second entrance.

Q: That is where I lived.

SILVERMAN: Really? When were you in Nicaragua?

Q: We were there from August of 1980 until February of 1981.

SILVERMAN: OK, at the very end of USAID's presence.

Q: Right when the Sandinistas came into power, a fascinating time.

SILVERMAN: It was still fascinating in the 1990's.

Q: I'm sure.

SILVERMAN: Unfortunately, the fascination wore thin with all the political problems that we encountered; political problems created by the Nicaraguans themselves and micromanaged by part of the U.S. congress. You must consider that with the Sandinista revolution came a ground swell of departures. In some cases, people were afraid they would be arrested and who knows what would happen to them. In other cases, they didn't want to be a part of the revolution and others left in the middle of the night without notice. Earlier I spoke about the Pinata and the expropriation process. A number of those property owners who left the country under duress eventually became American citizens; many lived in the Miami area. The reason this was important was because the stolen property got distributed to both Sandinista organizations and to their leaders. The Nicaraguans who had become U.S. citizens tried to sue the government or at the very least convince the conservatives in the U.S. congress to hold up assistance to Nicaragua. The Sandinistas issued decrees and turned those assets over to members of the leadership and the leadership then transferred ownership to many others.

The Sandinistas also stripped ministry buildings of basic equipment and furnishings, leaving the new government with empty buildings for their staffs. I remember USAID provided approximately \$5 million to the new government to help get the ministries functioning, including provision of vehicles for senior leaders. To ensure that vehicles were only used for official purposes we set up a monitoring system to track their use and when we found them being used for personal reasons, we formally notified the Minister of the Presidency and required evidence that the GON had addressed the issue effectively. This was a headache to administer but it sent a clear message to the GON.

Conservative congressional leaders, such as Jesse Helms of North Carolina, not only were interested in incorporating USAID into the State Department but were unhappy about providing any assistance to Nicaragua while the property of American citizens was in the hands of Sandinistas without compensation. This political issue translated into a very complex work environment, not only for USAID but for the entire U.S. mission. The embassy actually had a full-time economic officer work on property issues and the Ambassador spent considerable time trying to address this complicated problem. Senator Helms and staff constantly placed holds on various parts of the program making it difficult to carry out our approved strategy and creating stress for all the staff.

Therefore, even though we had approved operational year budgets, with approved investment plans, we were constrained from being able to provide funding for our

programs in a timely manner because of intense congressional oversight. The USAID Managua front office worked closely with our legislative staff in Washington, LAC bureau management and congressional staff to understand why it was in our foreign policy interest to carry out programs needed to help stabilize the Nicaraguan economy, reduce runaway inflation and work with poor communities in need of support. The social and physical infrastructure of the country was distressed and was falling apart and required investment. Finally, to help strengthen this fledgling democracy, assistance to develop democratic institutions was, in our view, essential.

Senator Helms' staffers made numerous trips to Nicaragua and often would grill us on the various investments we were proposing to make. To their credit they listened carefully to our briefings and asked tough questions. They seemed willing to support parts of the program and convinced the senator to lift some of the holds but only after significant delays which negatively affected program implementation. The property issue did not go away as the U.S. citizens now living in Florida demanded that their properties be returned to them, or full compensation provided and they were often opposed to helping Nicaragua at all.

The Catch 22 nature of this problem should be evident. For the government to better address issues they first needed to staff and furnish government ministries with basic equipment, launch programs to address the deteriorating economy, design and implement needed health, education and agricultural related activities, and work on strengthening weak democratic institutions. However, they were caught in a political squeeze as they were not the cause of the property problem but since the largest bilateral donor had domestic political challenges associated with implementing assistance efforts in Nicaragua the GON had to do something to demonstrate progress on the big political issue. Since it was impossible to return properties that were taken a decade before and the Nicaraguan treasury was almost broke, USAID worked with the Central Bank and Finance Ministry to develop a program for the issuance of Nicaraguan government bonds to partially compensate those citizens whose properties were stolen. This was the reality of U.S. relations with Nicaragua between 1992 and 1997.

I worked with Janet during my first two years in Managua and essentially served as her alter ego. Nicaragua was a high-profile mission with twenty-six USDH staff and over 100 FSN positions. From zero in 1990, the overall portfolio was expected to reach \$500-600 million by the end of 1994. As you may gather from our discussion the program faced high levels of operational uncertainty due to congressional and executive concerns over the slow pace of Nicaragua's movement to democracy and the thousands of unresolved American citizen property cases. Despite these continuing challenges Janet and I ensured that USAID's program had a strategic direction with balanced policy based conditionality along with a focus on strengthening the contributions of nongovernmental organizations and broadening the benefits of USAID assistance. We successfully concluded negotiations and obtained approval of a multi-year Title III food assistance agreement that was key to generating the local currency resources needed to target programs focusing on food security and agricultural reactivation in the poorest areas of the country. We also mobilized additional development resources for the

conflictive zones in the north of Nicaragua which had not fully disarmed following years of civil strife. This was an important USAID policy objective that I pursued with the GON and helped get their agreement to pay increased attention to these areas.

We tried to help increase investment in the agricultural sector through local nongovernmental organizations such as the Union of Non-traditional Agricultural Producers [UPANIC] by providing technical assistance to small farmers through improved agricultural practices and by helping them associate with larger producers who had the capacity and experience with export markets. We also helped the private agricultural export association find new markets for the small producers. Melons and sweet onions were two sub sectors where due to our program there was an expansion of exports for smaller producers.

After the 1992 election Mark Schneider was appointed the new AA/LAC. Mark was once a Peace Corps volunteer in El Salvador, and he wanted it to be understood that there was a new administration and that he had views about assistance strategy in Central America that weren't necessarily the views shared by career staff. I would just say that our work styles didn't mix well but he was the boss. I have never been known to meekly follow instructions without being able to have a dialogue. Mark may not have understood that career officers worked for every duly elected administration. The fact that the director was appointed by USAID under George Herbert Walker Bush's administration didn't mean that the director was political, but the AA decided that a change in mission leadership was needed, and he had the authority to do that. He wanted to replace the USAID front office, but he didn't appreciate that the state department, represented by Ambassador Maisto, wouldn't agree to such an action. The Ambassador acknowledged that the AA had the authority to replace the USAID director, but Maisto was not going to agree to replace both USAID leaders and made it clear that only one officer could depart post. If the AA decided to remove both officers, the Ambassador stated that he would not approve a replacement for the director. You can imagine that my relationship with the AA didn't improve after that conversation.

Janet Ballantyne graciously departed post, and I remained, as acting director, for approximately six months, until George Carner, who was director in Madagascar, arrived in Managua. I didn't appreciate Mr. Schneider's micromanagement of the Nicaragua program, including rewriting congressional notifications and pushing a more politicized agenda. He probably would have been happier not having me in Managua yet he was in charge of the LAC and I supported him as best as I could as acting director including contributing to a successful Consultative Group meeting in Paris with the Nicaraguans, the World Bank and other donors as well as supporting his efforts when testifying on Capitol Hill. Fortunately for me, I had an excellent working relationship with our country team and with the Government of Nicaragua.

There were staff in LAC who tried to smooth out the relationship, explaining to the AA the limits of USAID's ability to work with local organizations in a highly political environment. An example might be helpful. We were directed to work closely and provide grants to certain Sandinista organizations ranging from universities to

agricultural base organizations. If the organization had the ability to qualify for funding and had the systems in place to account for and manage funds, then we could consider providing grants, but we wouldn't do so if they weren't able to meet the acceptable financial standards and were politicized. It appeared that he might not have appreciated the conflict between our fiduciary responsibility and his interest in sending political messages to the Nicaraguans. This was likely one of the reasons he pushed for staffing changes.

I had worked with George Carner in Afghanistan, and I had a great deal of respect for his abilities, his open leadership style and his friendly personality. George was a brilliant strategist and an excellent Spanish speaker who was well liked by all political sides in Nicaragua. George was seen as an outsider to LAC and he understood and worked well with Mark Schneider which pleased me since it allowed me to assist in the management of mission programs and administrative support systems.

In the U.S. elections have consequences and when the opposing party wins, the political view of the new administration becomes significant. In my view, during the Clinton administration Vice President Gore's Reinventing Government/reengineering initiative hit USAID like a ton of bricks. Larry Byrne, the head of management in USAID, tried to launch a new management system [NMS] which was advertised to promote efficiencies and allow for a reduction in costs, supposedly through reduction of staff. He wanted to computerize a lot of the documentation flow and management decisions, and USAID spent millions of dollars to do this. Unfortunately, the cost reduction appeared to come through a significant reduction in staffing, and targeted many of the technical staff USAID needed in the field. Byrne was unsuccessful in implementing the NMS and as a user in the field, the system clearly failed to meet its objectives.

At the same time because of political dysfunction in Congress the USG shut down and USAID had no budget authority. I had to explain to all of the FSN staff in Managua that we were unable to pay them their salaries, and they looked at me with disbelief. Someone in the audience asked me, "How could the USG be out of money?" The answer was USAID was unable to pay its staff because we lacked budget authority. We were going to do everything we could to pay the staff once we had a budget in place, but it was an eerie experience having this hour with people who were support staff or project managers and questioning our government's motives. They found it hard to believe and so did I.

The impact of a poorly managed reengineering process in Washington with the right sizing effort that led to a reduction of staff had a negative impact on mission operations. We found ourselves short staffed with officers carrying out multiple job functions and a negative work environment developing at the mission. As an example, for more than six months I was both the head of the Program, Economics and Private Sector office and Deputy Director of the mission. We had positions that were advertised and not filled (yet functions continued) and then the position disappeared from the bid lists causing recruitment delays. The loss of technical staff in the agency significantly hampered

USAID's worldwide capacity to respond to a changing world in the early 2000s. I will speak to that later.

Q: Mark, may I ask for clarification. So the USAID program wound down when Mr. Reagan came in early '81. When you arrived, was there a USAID program at all? Or did you start from scratch after ten years?

SILVERMAN: The election took place in 1989, and I was working in LAC/W. During 1990 and 1991 I spent considerable time in Managua working on program initiation and helping to establish a USAID Managua presence. I was transferred to Nicaragua in 1992 as the Deputy Director and at that time the Mission was implementing several projects/programs and working out of its new office building.

I was acting director leading up to the Consultative Group meeting in Paris and worked on all the materials needed in preparation for the sessions including the final USG statement which contained commitments for further assistance to Nicaragua. George Carner, Mission Director designate, joined us in Paris which provided me with a chance to reestablish our friendship and brief him on the overarching challenges ahead. It was a fairly successful meeting, and I actually stepped in when the AA was away to lead our delegation for a short period of time.

George arrived in Managua in late 1994 and I had been Acting Director for around six months. By that time, we had a yearly budget of approximately \$55 million. Shortly after George arrived at post, he and I teamed up to address the challenge of reorganizing the mission for greater effectiveness and efficiency, given changing program needs and scarce resources. We spent a great deal of time consulting staff and working with Washington offices. The reorganization plan better reflected program priorities as it combined program and project functions into one office, established an office of Democratic Initiatives, and restructured the agriculture office. Washington then tasked the mission with developing a new strategy and through a highly participative process we formulated a revised strategy that reflected agency priorities and resource availabilities and had full ownership by the staff. More attention was placed on directing resources to the poor and to democracy and human rights challenges. This included significant investment in strengthening the process associated with elections.

In late 1996, Arnaldo Aleman, who was the mayor of Managua, was elected President of Nicaragua. We weren't sure what to expect until early in 1997, as we monitored the GON's approaches to management, it appeared that the GON demonstrated a lack of transparency in its actions. I sensed that transparency would be a continuing challenge. For example, we had a multi-year Title III Food for Peace Agreement that generated substantial amounts of local currency; USAID put into place a vetted local currency secretariat responsible for managing the many activities the government would carry out in support of the agreement. The secretariat was well managed and internal controls were effective with procedures agreed to by both the GON and USAID. The director of the local currency secretariat was well trained and doing an excellent job. Any changes to the leadership of the unit required joint agreement by USAID and the GON.

In early 1997 the Aleman administration unilaterally bypassed the agreed upon rules and regulations that were established for the secretariat and President Aleman appointed a new director, a close ally, who appeared to lack the management experience to handle this important position. This unilateral decision by the Aleman administration, implemented through an executive decree by President Aleman, was given to me as a *fait accompli* by the Minister of Finance. This action created a serious challenge to USAID and the U.S. mission. We all wanted to have a good working relationship with the new administration, but we also had to ensure that the Title III program was being implemented correctly and with transparency. As the USG's representative on the Title III Executive committee (along with the Deputy Minister of Finance and Minister of Finance), I had to handle the unwelcomed replacement of the Executive Director. After consultations with Ambassador Maisto, I firmly communicated our displeasure with the action, advised on correct hiring procedures that must be followed and insisted on a probationary period for the political appointee. These decisions were accepted by the Nicaraguans. As it turned out I departed post several months later and the new executive director was relieved of his duties.

The five years in Nicaragua were fascinating. We found iguanas in our backyard and somehow in our master bathroom; the roof of our house leaked and we had to put down cans to catch water after heavy rains; the municipal water supply would often shut down and we had to draw water from a big tank and the electricity would go out regularly, forcing us to turn on a generator in the front of the house that sounded like a railroad engine. As the economy grew and western amenities became available, Managua became much more interesting to live in.

Nevertheless, someone once told me the problem with Nicaragua was not Nicaragua but the Nicaraguans themselves. The property issue was complex and required an enormous amount of work to find some kind of reasonable solution. As mentioned earlier USAID hired a specialist from the University of Wisconsin who designed a government bond program with the aim of providing some value on the secondary market in support of compensating the prior property owners. The government lacked the resources needed to fully compensate the long list of original owners. The U.S. citizens who wanted the value of their properties (generally defined by them without proof) provided to them were not happy with this approach but there wasn't any other viable solution. I believe the GON issued these bonds, but I don't recall the actual discounted value of the units. Senator Helms was not happy about this effort as he believed the GON could have issued a decree announcing that the homes and other properties taken by the Sandinistas in 1979 were no longer theirs and that they should immediately be returned to the prior owners. This wasn't a realistic option in a Nicaragua that still had a large Sandinista following, including in the military and police.

During my five years in Nicaragua, USAID carried out several valuable programs. During the 1980s the Sandinistas burned down a lot of the productive areas where rice was grown on the Atlantic coast. In 1990, USAID hired Bob Gersony, a conflict and humanitarian specialist, who spent several months going up and down the rivers on the

Atlantic Coast of Nicaragua trying to understand what kinds of interventions would be needed to reactivate agricultural production there. He met with farmers and local officials and learned a great deal about their challenges. Bob learned that farmers needed several basic inputs such as rice seed, machetes and basic implements to be productive, but they lacked the resources to finance these items. Therefore, rather than developing some large, complicated set of programs, USAID responded with a targeted package of assistance to the farmers on the coast with the above inputs which led to thousands of tons of new rice production with new marketing channels. It was a promising new chapter for the Atlantic Coast producers.

Now one of the biggest problems getting to the Atlantic Coast, as I am sure you remember, is that there was no easy way to get there. There were no roads and bridges that would take you all the way through and bad weather would make it difficult to complete the trip. USAID used local currencies generated under the program to finance a major new project that built wooden bridges using local labor and local materials. No imports were required; we used the materials available on the coast and the road network was broadened and strengthened with the use of local labor as well. We encouraged increased attention to maintenance of the roads, and I believe we provided some budget assistance. Once the bridges and roadwork were completed the program reduced the time needed to travel from Managua to Bluefields from twenty-four to almost five hours in total. Unfortunately, despite the focus of promoting an improved transportation network to the coast, local governments didn't budget adequately for maintenance and during the rainy season parts of the roads washed away. In my more than thirty years working for USAID I found lack of maintenance to be a common problem in all the countries where I worked. The Atlantic Coast infrastructure project was a success however given the lack of maintenance funding available I imagine that with today's political and economic situation things may not be much different than when we started the program.

I would also like to mention another key fact. While the conservatives in Congress were beating up USAID by holding up program implementation, the mission was working to ensure election integrity and promote the vote for all Nicaraguans. We traveled around the country, including to the conflictive zones, to ensure that voter registration programs were being carried out effectively and people from all political persuasions would have access to the vote. Ex-combatants, for the first time, were an important part of this process and the Helms staff acknowledged that USAID's work on elections represented an important step forward in Nicaragua's democratization process. One of the most uplifting things we viewed in the countryside was to speak with people who walked **twenty hours** to get to a voter registration place. There was a significant desire to participate and none of this would have happened without the leadership of USAID and the Organization of American States team who promoted democracy and human rights and facilitated the participation of many ex-combatants in the democratic process.

In the 1996 presidential election, the Sandinistas didn't challenge the results of the election where the conservative Arnoldo Aleman was declared the winner. But as I will talk a little bit later in my final Washington assignment, I led the USAID observation team in the 2006 Nicaraguan election; Daniel Ortega won that election and through non

democratic means (including the arrests of opposition candidates and illegal actions by the National Assembly) he continues to be President of Nicaragua today, eighteen years later. What a tragedy for the Nicaraguan people.

Q: What did the donor community look like when you arrived there.? I can imagine within the donor community there were probably differences in perspective. Some ardently support the Sandinistas with other points of view How did that pan out with relations with other donors?

SILVERMAN: Well, I think the Europeans were much more likely to be pro-Sandinista and they paid less attention to the idea of civilian control of the military or the police. Remember that Humberto Ortega, Daniel's brother, was the head of the Nicaraguan army. It was impossible for Dona Violetta's government to replace him. So, the Europeans were more willing to work directly with the Sandinistas and less concerned with the confiscation of property issues, they tended to see this as only an American issue. With a new administration in Washington and a new AA/LAC, there was a change in our policy, and we started to move toward working with some of the Sandinista organizations in agriculture and education. We had a difficult balancing act to work through; an administration more open to work across the political spectrum but an important conservative congressional constituency with access to our budget that had influence over assistance flows.

USAID has a responsibility to the U.S. taxpayer who finances foreign assistance, and it must manage resources in accordance with U.S. government rules and regulations. But let's return to Nicaragua. There was a lot of work between the Europeans and Sandinista groups. We had many visits from left wing groups across the United States who would come to Nicaragua and donate their time to work in the fields and with poor communities and they would often complain about our policy direction and the need to work more at the base level. So, we were stuck with a construct that required us to work with organizations that could be certified as capable of managing money and were not politicized. I think the Europeans didn't like it, and the left of center American volunteer groups also were unhappy but at the time USAID believed that the private sector was the engine for development. So, I think we had a balance; the Europeans would work with institutions that we couldn't work with. But we talked about it a lot.

Q: Tell me about your staff. Were you able to draw back in any of the FSNs who had been working before the program closed in the early 80's? What did your FSN staff look like in terms of background and expertise?

SILVERMAN: I don't recall recruiting staff with prior USAID work experience. I could be wrong and of course as the years go by, the details become less clear, and we were talking about thirty four years ago. At the beginning of the program, we faced problems finding staff with adequate education, management and English skills and we ran into many challenges encountered during security reviews and police checks. I remember looking at a candidate for an economist position who was trained in Cuba.

Q: You were basically building an FSN group with a very different dynamic. Finally, what were your relations like with the embassy? How close did you work with them? Or did you?

SILVERMAN: I had close working relationships with many embassy staff. The property issue was one of the things that bound us together. Harry Schlaudeman, a retired Ambassador and a friend of the first President Bush became Ambassador in 1990 and left just before my posting and Ron Goddard who was DCM became Charge for many months before John Maisto was confirmed as Ambassador. I worked closely with both the Charge and then with Ambassador Maisto and his new DCM Heather Hodges who went on to become Ambassador to Moldova and to Ecuador. USAID had an excellent working relationship with the embassy at the country team level and we worked through many issues together.

I was just rereading my evaluations during that period and some of the things John Maisto said helped me remember certain situations. We referred to him as our own Ever Ready Battery bunny because he would start the day with an early morning working breakfast out on his deck, having invited Nicaraguan political people to discuss a variety of issues. He would host many gatherings at his home in the evening to promote dialogue on the pressing issues and USAID leadership was often invited to the morning and evening sessions. Keeping up with his steady all-day pace was a challenge. As Acting Director I had a unique opportunity to work closely with Ambassador Maisto and we worked on a number of bilateral issues together. I also learned a great deal from him on the importance of dialogue and being patient with those who were not very patient.

Lino Gutierrez followed Ambassador Maisto who went on to become Ambassador to the Organization of American States. Lino Gutierrez was a Cuban American diplomat, a very different kind of officer, a bit more formal than his predecessor but also easy to work with and was quite supportive of USAID's efforts in Nicaragua.

Q: Let's go back to the Sandinistas. They didn't disappear. What were they up to when Violetta came in?

SILVERMAN: Well, remember that Daniel Ortega's brother, Humberto Ortega, was the head of the Sandinista army (which became the national army). When I first met him, and I knew a little bit of history of what transpired during the Sandinista years, he was a scary character with a quiet but intense look. Our military-to-military relationship was complicated because the U.S. military wanted to introduce ideas such as human rights training for military officers. General Ortega was the Minister of Defense during the Chamorro government, and I believe he retired in 1995. He accumulated significant resources during his time in office and years later broke with his brother's approach to politics. The number two army general, Joaquin Cuadra, followed him as minister of defense.

As Acting Director I attended a consultative group meeting in Washington D.C. and ex-President Daniel Ortega was invited by the Chamorro government to attend the

meeting. I was introduced to Mr. Ortega and we had a chance to chat for five minutes or so. He appeared to know little about the United States; as President he would go to the yearly United Nations General Assembly meetings in New York and then immediately leave the country. He didn't even know that Virginia was located right next to Washington D.C.

I imagine that the Sandinista leadership was building their assets in the companies they had run, and this was part of the complication. It wasn't the military industrial complex; it was the political industrial complex. The leadership had their fingers in lots of different financial pies and illegally owned real estate (both homes and productive enterprises) while much of the country was poor. There was a large informal sector, and I don't recall people in the streets demanding change. The private agricultural sector was led by right of center producers and they were leaders in the export sector. They wanted to work with the new private banking systems (including establishment and strengthening of the Superintendent of Banking) that we helped Nicaragua establish. The left-wing Sandinista led agricultural groups were focused more on domestic production and followed state led agricultural models utilizing state owned banks which weren't profitable and were a drain on the government's budget. Banking decisions by the state-owned agricultural bank were rarely sound and easily influenced by politicians.

Q: True. Very true.

SILVERMAN: I read John Sanbrailo's oral history, and I was amazed at his recall of events in Nicaragua over the years. I was really impressed at how he articulated things that were going on in Nicaragua from probably the time you were there.

Q: Wow, a fascinating time. So, would you like to stop here and then pick it up next time?

SILVERMAN: I think that would be good and then we can start with our return to Egypt, what I call Egypt II.

Q: OK that is good we will put a stop to the recording.

Q: Today is Tuesday February 13, 2024. We are going to continue the fascinating interview with Mark Silverman who will finish up in Nicaragua and turn to his second post in Egypt which will be fascinating given he was there when the program began.

SILVERMAN: Thanks Marcy I wanted to mention as I was leaving Nicaragua in 1997, the reason I ended up in Egypt was because there wasn't a directorship available to me that would allow my kids to live with us. Eric was helping out in the LAC front office and supported my candidacy for Panama, but I believe Mark Schneider preferred someone else. The Agency considered me for Romania but that position would have

required sending our two high school aged kids to boarding school and so I declined the offer. Then Terry Brown, who was Deputy Assistant Administrator in the Asia Near East bureau, reached out to me with an interesting proposal. Near East bureau wanted to support my taking a Senior Management Group [SMG] position as the Associate Director for Infrastructure and Environment [AD], one of four AD slots in the mission. Basically, the associate directors had the overall management responsibility for the Egypt program. The four units were economy, trade and investment; human development; infrastructure and environment and program. Cairo had a terrific high school, which was a plus for our family and I would be able to see what had transpired over the fourteen years since I was there last. I was happy with this new opportunity and the SMG approved my selection and, in the summer of 1997, I returned to Egypt.

After reviewing key documents describing USAID's program initiatives it was clear to me that many of the areas USAID Cairo started working on in the late 1970s had made considerable progress. On the human development side Egypt made improvements in the education and health sectors such as promoting advances in reading ability in the early grades and more marketable skills, elimination of polio and a significant reduction in infant and maternal mortality rates. The government had also taken important steps in creating the conditions for more private sector involvement in the economy. Infrastructure services such as power, water and wastewater and telecommunications had markedly improved and there was some private sector participation in these sectors. There was an opening to carry out important environmental initiatives in support of cleaner air in Cairo and improved management of coastal resources. The ADs had considerable delegated authorities to make programmatic and management decisions in their areas of responsibility. With an overall budget that exceeded \$850 million a year, funded with economic support funds [ESF] the mission's decentralized operating system was an innovative approach needed to effectively design, negotiate, obligate and implement a comprehensive development program in Egypt.

The Environment and Infrastructure directorate [EI] had a total of forty-eight FSN and direct hire staff with a budget that ranged from \$200-225 million each year. EI had responsibility for one of the Agency's largest multidisciplinary programs in the world with a total value of approximately \$2.5 billion. Activities focused on promotion of improved water and wastewater, telecommunications and electric power services and the overall improvement of the management of these sectors. USAID investments were trying to enhance private sector participation in these critical sectors. In the environment area EI activities focused on clean air, elimination of informal lead smelters near communities, promoting sustainable tourism along the Red Sea coast, and preserving Egypt's cultural resources while developing a major environmental policy initiative that would help the GOE make significant improvements in the management of the environment.

I was impressed by the Egyptian staff working in EI with deep experience and important connections to key Egyptians in the private and public sectors. With the help of the White House and the GOE Presidency, the Gore-Mubarak Partnership [GMP] initiative created a framework for high level discussions on seeking ways to create improved

economic opportunities for Egyptians and enhanced focus on improving environmental conditions in the country.

I spent the first several months in country getting up to speed with mission operations, working with our terrific staff, meeting GOE counterparts and finding a place to live. I was then asked to help the director lead the mission. Several months later, in early 1998 our world began to unravel as the East Africa embassy bombings created a new set of security challenges for the U.S. mission and for USAID/Cairo. Since the early 1980s USAID's offices were in a commercial building in downtown Cairo, two blocks from the embassy. USAID didn't control access to the building that was shared with private companies, a bank and the Japanese embassy. Immediately after the bombings the Secretary sent out a worldwide message that said unless you can assure the department that you have complete control over access to your workplace you must leave the premises and find a more secure workplace, in other words, we had to move out immediately. As the Charge de Affaires [Charge] couldn't provide this assurance for USAID, we were given twenty-four hours to shut down operations at Cairo Center and start relocating the 350 plus USAID employees. We had fewer employees in Cairo than USAID Kabul had in 1977.

Toni Christiansen-Wagner was the Acting Director, and I was the Acting Deputy Director. We immediately moved into a crisis management mode, since we needed to mobilize USAID leadership to quickly decentralize operations. We were in between Ambassadors when the bombings took place and so Toni and I moved into the Ambassador's vacant suite in the embassy and we started to identify work options for mission staff. Over the four years I was in Cairo I spent approximately fifteen months as Acting Deputy or Acting Director of USAID Cairo.

Now anyone who had visited Cairo knew that it was a crowded and somewhat chaotic city to move around in with a population of thirteen to fifteen million people, and with animal carts and even camels on the streets and traffic everywhere. It was virtually impossible to find a building to house 350 employees with adequate setback required by State Department security. The only immediate option available to us was to break up the mission into multiple work units and spread them around the city while we searched for a consolidated workspace. We mobilized our executive office operation into a secure space search program while staff stayed at home.

Q: May I ask you where was the rest of your staff?

SILVERMAN: Many were at home until we could find secure office space to work in. Less than one-half of the staff were placed in the Embassy while the rest were then moved to other locations. We did not have the kind of communications technology that exists today; no zoom or reliable video conferencing and therefore being able to work from home was only a dream. We established a task force focused on enabling communications to offices around Cairo. Fortunately, our executive office was able to identify a number of small office options around the great city of Cairo.

Q: How long did this last?

SILVERMAN: Well, in the first phase we moved some staff into the embassy and the rest to eleven different locations, ranging from empty apartments near the suburb of Maadi, which we converted into office space, and a few small offices not far from the embassy. Our executive office staff was terrific, and we had great cooperation from the embassy. I can't remember exactly how long this approach had to be implemented but I do remember spending much time as the itinerant deputy director visiting staff in the various locations and attempting to promote a normalized business operation. We searched the city but couldn't find any lease options that would meet our needs for a consolidated operation that could be approved by the State Department.

Finally, after many reviews of sites around the city, we found a vacant building out in the desert near Maadi (where Cairo American College was located) that had a rental option, we put a proposal together for temporary relocation and received State Department and USAID Washington approval to move all of our staff into this location while we looked for a permanent solution to the office building requirement. We moved all the staff from multiple locations and brought the Mission together sometime in late 1998 or early 1999. While we signed a lease, I recall that the landlord did not want to lease to us for a long period of time.

Simultaneously we searched for a location where we could use host country owned local currencies, of which we had quite a lot, to build a new office building [NOB] that would be agreeable to State and USAID in Washington as well as other interested parties in the USG. An undeveloped site in the desert near Maadi, approximately a mile or two from the temporary office building was identified. What followed was a long bureaucratic process that included development of a design with specifications eventually acceptable to Washington agencies, including all the security requirements needed for a diplomatic presence and, believe it or not, congressional approval to use a large amount of local currency that was available for such a purpose. We had the resources but not the authority to use a large sum of money and that issue had to be bureaucratically addressed. Finally, we needed the approval of the Governor of Cairo to put up a four-story building in Maadi. After more time than one could imagine, all these requirements were met and NOB development and construction started. Finally, in early 2001, three years after the great disruption and several months before my scheduled departure, the entire USAID mission moved from the temporary building to USAID's own new office building in Maadi.

Reflecting on this whole situation, it was difficult to maintain productivity and morale among the staff as we faced day to day challenges on managing the paper flow required to document decisions being made on the program and for communicating effectively with staff in twelve different locations. Initially, just keeping communications open and providing adequate monitoring and oversight was a challenge. Moving around Cairo was never easy but having to do so on a regular basis to so many locations created significant frustration for all the staff. Let's not forget the political pressure from Washington and the GOE to obligate \$850 million of economic support funds throughout the year but

even greater pressure as we approached the end of the fiscal year. The front office really appreciated the spectacular work of so many of our staff to keep project designs moving forward, ensure that projects were approved by mission management and agreements negotiated and finally obligations made! The awards program was an effective tool to recognize outstanding performance and results from specific USDH and FSN staff members.

In the 1998-2000 period EI focused increased attention on promoting policy dialogue and implementation, facilitating reform of the power, telecommunications and water and wastewater sectors in support of new investment opportunities. The GOE was open to these changes, and we made strategic investments to facilitate regulation of the power and telecommunications sectors and helped the GOE develop an agenda to reform the water and wastewater sectors. Changes in the Egyptian cabinet made it easier to have these kinds of discussions and to help Egypt facilitate private investment and participation in various sectors. For example, the new Minister of Telecommunications was open to the idea of looking at privatization and other options that were available to the government. The Minister of Housing and Utilities wanted to initiate implementation of a reform agenda that was supported by USAID.

I was impressed with the different approach that the Egyptians were taking, from welcoming private providers to manage the new cell phone industry to focusing on the quality and efficiency of the water and wastewater system. We were responding to requests to audit the use of water in apartment complexes to improve the efficiency and lower the amount of lost water and we were helping the Ministry of Power to reform the role of the Electricity Authority and to open up the sector to investment while implementing management improvement programs led by USAID sponsored contractors. The quality and reach of infrastructure services had dramatically improved, especially in the areas of water and wastewater delivery.

Regarding the environment, our staff worked with the new Ministry of Environment to help Egypt improve management of the environment by promoting sustainable environmental tourism on the Red Sea coast. We started to engage in substantive policy work that was supported by Vice President Gore and President Mubarak and his Prime Minister under the Gore-Mubarak partnership. The partnership focused on dialogue that would lead to increased trade and investment and more sustainable management of the environment in Egypt. I was responsible for supporting dialogue under the environmental component of the partnership.

We would meet every six months, alternating between Cairo and Washington and the USAID Administrator would participate in the meetings. Vice President Gore was the political lead on our side and the Prime Minister led the Egyptian side. In another high level visit the new USAID Administrator was in Cairo to participate in the environment subcommittee meetings and came away impressed with the work being done by both countries to promote and protect Egypt's environment. After a subcommittee meeting in Washington, the Minister of Environment joined me on a visit to California to meet with California Environmental Agency officials who were successfully integrating compressed

natural gas vehicles into their fleets and we also visited local initiatives on privately managing solid waste, including innovative recycling programs.

Working with the environment minister and her team to focus on joint policy and program priorities, we increased policy level attention on air pollution in Cairo through the tools available under the Cairo Air project. Cairo was notorious for air pollution, in part from diesel burning cars and buses as well as the informal lead smelters in Cairo. You could rarely see the pyramids from afar because of the air pollution. Our policy dialogue, in part reinforced by the joint visit to California, led to an agreement to introduce liquid natural gas [LNG] in the use of transportation fleets (buses and taxis) and we initially financed this initiative under the Cairo Air project. Because of nearby natural gas fields, this gas was readily available in Egypt, but the mechanisms to translate that availability into a supply that could be used for taxis was lacking. Engineers then designed a conversion kit for taxis so a taxi driver could have access to natural gas instead of having to purchase gasoline, and since the cost of natural gas was lower than the cost of gasoline it didn't take very long before the purchase of the taxi conversion kit would pay for itself. This process succeeded in attracting thousands of taxi drivers to make this important economic and environmental change.

Governors are appointed by the President with significant power and the Governor of Cairo was equivalent to a cabinet minister. We worked with the Governor of Cairo and his staff to encourage changes to the large bus fleet used by many Egyptians by considering the possibility of introducing LNG buses into the bus fleets. We agreed to finance forty to fifty LNG buses to demonstrate how they could potentially lower the particulates in the air. This was a difficult dialogue and took a lot of engagement by USAID and embassy leadership with the GON and the Gore-Mubarak partnership was the perfect mechanism to provide political support for such an effort. In mid 1998 we laid out a proposal to have Vice President Gore visit Egypt and participate in a program to highlight the joint efforts underway. VP Gore agreed to the trip and visited Cairo. I was the site officer for his visit to a natural gas station where taxi drivers were able to purchase the conversion kit and LNG fuel instead of gasoline for their taxis. Gore was impressed with the work being done and stated publicly that these actions will make a difference in Egypt's work to promote cleaner air for its population. This was but one example of the value of the strategic dialogue under the GMP.

The partnership's framework created other opportunities for USAID's work in the environment. Over the coming months we carried out a participatory process with the GOE to design and negotiate the Egyptian Environmental Policy program, a \$170 million multiyear effort that would focus on the most critical environmental challenges in the areas of water, industrial pollution, energy efficiency and Red Sea natural resources. The program had full buy-in from the environment minister and the Prime Minister. We mobilized technical talent from the U.S. to work with the best technical staff in Egypt in demonstrating how companies, for example hotels on the Red Sea coast, could reduce the use of energy and water, thus reducing costs while improving management of the environment.

The program also supported improved management of coastal resources such as coral reefs, which are important attractions for tourism, yet were being ruined by poor management practices on the coast. It also supported important inroads into how Egypt could manage its solid waste management operations by providing the technical assistance required to help privatize solid waste management which resulted in the selection of a private contractor to manage solid waste service in Alexandria. Finally, Cairo Air's work with the GOE to close informal lead smelters and move these functions away from population centers contributed to improving health indicators in those informal settlements.

As I mentioned earlier the overall focus of the infrastructure program was to improve the quality and coverage of water and sanitation, telecommunications and power services. Over a period of twenty five years USAID had invested considerable resources in expanding the reach of these services, focusing on improved quality and encouraging investment in these sectors. With pressure on worldwide budgets, access to continued resources for infrastructure became much more limited and USAID/W's message was to encourage graduation from this type of assistance. USAID/W asked the Mission to put together a strategy that would allow for a rightsizing plan and a more realistic workforce level over time. I helped craft some of the key recommendations that would support a more realistic time phased approach, given resource constraints. We developed a clear vision, careful plans and steady, measurable results for the infrastructure and environment portfolio.

During my final year in Egypt our infrastructure focus was on helping the Ministry of Communications introduce wireless technology into the telephone service to accelerate installation of lines and meet the new demand, to facilitate Ministry of Electricity and Power's efforts to develop an effective regulatory function and to help the Ministry of Housing and Utilities obtain cabinet approval of a sector reform package. This last effort would help increase potential investment in this critical area. During this period, I was Acting Director or Deputy Director for three months and was tasked with supporting a number of senior level visits ranging from the head of the Small Business Administration, several congressional delegations and senior U.S. military leaders. Great exposure to further develop my briefing skills.

I can't forget that as we approached the end of the 20th century the concerns associated with the potential problem of computer-based system failure, known as the Y2K issue, became a part of our lexicon and the United States worked closely with many countries to try and avoid potential economic catastrophe. USAID/Cairo mobilized specialized computer and technical experts to help the GON review its power and telecommunications systems to determine if there were vulnerabilities. We helped key ministries develop alternative plans to address this potential problem.

When January 1, 2000, arrived we wondered what was going to happen to computer-based systems in Egypt and around the world. We were encouraged to be careful on New Years eve, so my family joined a group of friends and we traveled to the South Sinai coast, and stayed at an eco-lodge on the beach where we enjoyed several

days without relying on electric lights and computers. Skin diving by the coral reefs, watching the beautiful sunsets and roasting marshmallows by a firepit on the beach offered a welcome change from worrying about the possible failure of computer-based systems in Cairo.

To the best of my knowledge nothing significant happened with computer-based systems at the turn of the century. The United States invested a great deal of money to help strengthen the backbone of many of the critical systems in Egypt and that was part of a larger effort around the world. However, it appeared that the worldwide concern was an overreaction to the unknown!

Q: What would happen in the case of one of your infrastructure projects if it ran into difficulties in implementation due to mismanagement on the Egyptian side?

SILVERMAN: Well, we did deal with this issue from time to time when we had procurement related problems, such as when some U.S. firms cheated in terms of their bidding processes and misrepresented themselves to the GOE and to USAID. These firms would either be disqualified or if there were significant legal issues, such as under possible corruption, referred to the Inspector General's office for investigation. I believe we had a case that went into the U.S. legal system. Remember, with host country contracting the contracts were between the American companies and the GOE ministries accompanied by considerable USAID oversight. As I recall most of the issues we encountered with Egyptian management of contracts revolved around their insistence that contractors perform tasks not contained in the approved scope of work or problems with payment of invoices in their entirety as well as not approving payments in a timely fashion. My staff worked closely with their Egyptian counterparts to keep programs moving in the right direction. If things were not resolved at the staff level, I would get involved directly with senior GOE personnel. We had a good track record.

Q: So, in this case you are talking about problems with the performance of U.S. contractors. But what if you found problems on the management implementation on the Egyptian side? What ability did you have to deal with that?

SILVERMAN: In the environment and infrastructure area we could stop disbursements if need be but I don't recall having to do this. If there were implementation issues, we would seek corrective action. We had the ability to ensure that U.S. taxpayer funds were being used appropriately through our own monitoring and through audit coverage. What we didn't have was the ability to determine whether U.S. funding was going to be made available to Egypt at large. If there were problems with the implementation of specific projects caused by the GOE, USAID would meet with senior GOE representatives to try and resolve the issues. If the specific ministry did not take the action that was agreed upon, we could have taken steps to stop the financing of the project; even terminate the project. What we couldn't do was determine whether Egypt would receive less economic support funding the following year; we had a great deal of influence over how to divide the pie but whether the entire pie was going to be provided to Egypt or not was a USG.-U.S. congressional decision that was framed by the Camp David Peace Accords.

From time-to-time issues with specific USAID projects/programs were not fully resolved and the end of the fiscal year was fast approaching closing. The Egyptians understood that if they kept the pressure on and didn't come to an agreement with USAID on certain priorities such as a focus on democracy programs or working through nongovernmental organizations, priorities that were driven more by the U.S. than the Egyptian side, we would eventually have to find a way forward as no one, including the Egyptians, wanted to leave funds unobligated at the end of the fiscal year. There was a great deal of pressure on USAID to obligate all of the funds in our budget but because the funding source was political in nature, we couldn't decide to return funds to the Congress.

Q: Got it. OK thank you.

SILVERMAN: We had several effective ambassadors during the time I was posted in Cairo. Edward Walker was there at the time I arrived in 1997. He was an Arabist and had been Ambassador to Israel before coming to Egypt. Later he became the Assistant Secretary for Near Eastern Affairs, so he was deeply immersed in Middle East related issues. He was quite supportive of USAID's work. He was followed by Daniel Kurtzer, a brilliant diplomat and scholar who had served as a junior political officer when I was first posted to Cairo. Kurtzer had deep ties to the Middle East throughout his career and he had worked closely with Dennis Ross and Aaron David Miller on efforts to address the Arab-Israeli conflict over many years. He went on to become Ambassador to Israel.

Ambassador Kurtzer had the unique ability to never get flustered but at the same time in closed meetings he could be very direct. I learned this important fact- when you went into a meeting with him you had better be prepared because he was going to ask the tough questions. Some of our staff were nervous about participating in that kind of a session. He was smart enough to know what the issues were, and he wanted staff to think about how we would address the issues, especially if he had to get involved in their resolution.. He was a master in using briefing papers (of which we did many) and could review a proposed speech and then deliver it without looking at notes.

Promoting better cultural understanding between the United States and Egypt was a USG priority. USAID's work in the preservation of Egypt's cultural resources included supporting the University of Chicago's Oriental Institute leadership in identifying and preserving antiquities from Upper Egypt including the great complexes in Luxor and Aswan that were built around 3,400 years ago.

The University of Chicago's work in Luxor led to uncovering a significant problem facing Egypt's cultural resources. Near Luxor and the Temple of Karnak, there was a large area where salted water from agriculture was seeping into the foundations of the 3,500-year-old infrastructure. The foundations were starting to become brittle with the danger of dissolving over time. The Egyptologists and the other specialists who had studied agricultural practices identified where some of these problems were coming from and worked with Egypt's Supreme Council of Antiquities to develop demonstration projects that could lead to investments to save the foundations and the great buildings

they supported. This was a complex issue that required time and money to address, and the Ambassador shined a light on this and other activities that kept our cultural resource staff busy with work in Upper Egypt. I accompanied the Ambassador on several of his visits to Luxor and Aswan.

The second part of the cultural resource program was focused on the preservation and restoration of Coptic cultural resources. The Copts represented roughly ten percent of the Egyptian population and there were approximately fifteen monasteries around the country including one from the fourth or fifth century AD. Egypt has a rich cultural heritage, and many wanted to see the antiquities restored. One example was in Saint Anthony's, the oldest monastery in the country, where over the years, many different groups used the facilities as kitchens or dining areas and the walls and ceilings were covered with soot. After Italian restorationists arrived and started to work on the cultural infrastructure they found beautiful Coptic paintings from the twelfth century that had been covered with wax from burning candles and from soot from kitchen fires. The areas were restored and now tourists started to visit Egypt to see these magnificent paintings from the twelfth century. I visited these sites on several occasions and the restoration work was absolutely outstanding.

In Upper Egypt a lot of the work that has been accomplished by the Supreme Council of Antiquities was supported by foreign archaeologist's, including Americans. Many of the caves that were constructed and painted from almost 4,000 years ago have been identified and carefully reopened. I accompanied Ambassador Kurtzer to the opening of a newly excavated cave in the Valley of the Kings near Luxor where thirty feet below ground level we encountered a cave with magnificent ceiling paintings depicting the sky and the stars, with paintings of different animals on the walls that looked like they were completed the week before we arrived. The quality of the colors and the complexity of the designs were truly amazing. The Egyptologists learned a lot from the stories that were painted in these caves and others and helped catalog and preserve knowledge of ancient Egyptian history.

Unfortunately, at that time terrorism struck Upper Egypt in a way that had not been seen before. While I was in Luxor meeting with the Governor to discuss water and wastewater issues at the temple of Luxor, a group of Japanese tourists were on a tour of the nearby Temple of Hatshepsut and the terrorists, who were wearing police uniforms, opened fire, killing around seventy Japanese citizens and what followed was the collapse of Egyptian tourism. I was on my way to the airport to return to Cairo when my staff learned of this tragedy that occurred a few miles away. The impact of this terrorist act was devastating to Egypt in the short term as European tour agencies canceled their bookings and Egypt was on the no visit list.

Egypt tried to recover by lowering prices, but foreign tourists were afraid to visit. Personally, since we lived in Egypt, we were able to take advantage of the low prices and low levels of tourism to travel to upper Egypt as well as Sharm el Sheikh on the Red Sea a number of times and we enjoyed the cultural history experience as well as the beaches, snorkeling and sunshine along the Red Sea.

We saw the development of an insurgency that was going to cause havoc not only in the region but around the world. I will talk a little bit more about security issues when I talk about my post USAID experiences because I had several short-term assignments to Egypt in 2013 and 2014 in the midst of martial law.

As USAID had a dominant presence in Egypt for many years, the Embassy and USAID undertook a series of regional celebrations to publicize the results of twenty-five years of assistance to Egypt. Although the partnership between USAID and Egypt began in 1975, assistance dramatically increased after camp David. USAID's twenty-five billion dollars of assistance helped build the foundations of a stronger market-oriented economy and improved the quality of life for millions of urban and rural Egyptians. Right before the first event in Aswan, the Ambassador requested that I take charge of managing what had been a public affairs-run activity with six major events over two days. I had to mobilize the Embassy and USAID team, held planning meetings to assure smooth collaboration and worked with the Aswan governor and the involved Cabinet ministers. Three key Ministers participated in the Aswan event and USAID received extensive favorable media coverage in the local press.

From a personal point of view our family enjoyed the Egypt experience. We met many interesting people; our kids had a wonderful education at Cairo American college [CAC] and both graduated from that excellent high school. The CAC graduation experience was unique in that most of us from the baby boomer generation in the United States graduated high school either in a gymnasium or out on a sports field. CAC graduates had their graduation ceremony in front of the Sphinx next to the great pyramids of Giza. It was the most memorable graduation experience one could have, and we were honored to have attended these ceremonies four times during my Cairo posting.

Q: I have a couple of questions and that may need to go into the next session so you clearly were the biggest donors on the block. What kind of relationship did you have with the other donors or did you?

SILVERMAN: There was a lot of engagement by the mission. I remember mostly interacting with the Europeans in the areas of environment and infrastructure. I don't recall significant resources being made available by other bilateral donors, but the European Community was engaged and of course the World Bank was active, with a growing interest in telecommunications and power. I think to that extent the World bank and the IMF became partners during this period because when you look at the size of the Egyptian population and the size of the country, \$800 million of assistance was important but not significant enough to really grow the economy and meet the needs of the Egyptian population.

Our program office worked closely on donor coordination and our trade and investment staff interacted a great deal with the Banks and with IMF visitors. As time went on, the U.S. contribution to assistance decreased and the Bank's investments increased which was a good thing. As Egypt's economy grew and its trade capacities were enhanced the

need for U.S. development financing was less important, as it should have been. However Egypt's role in facilitating dialogue between the Israelis and Palestinians and working to address security concerns in the region were important contributions to promoting stability in the region and the United States, while funding levels decreased, was still an important partner with Egypt.

Q: Let's put a pause to this now.

Q: It is Thursday February 22, 2024. I am continuing my interview with Mark Silverman, who will complete his time as associate director in Egypt and move us on to what I am told is one of his best posts as director El Salvador. Mark, welcome.

SILVERMAN: Thanks Marcy. Just kind of bringing our experience in Cairo to an end. We attended our daughter's graduation from CAC, packed out and then I was being transferred directly to San Salvador via Washington for consultations where I was sworn in by the Deputy Administrator. When selected to be the next USAID Director in El Salvador I was excited to return to Central America and thought about what might be possible in terms of USAID potential contributions. However, mother nature got in the way when two massive earthquakes occurred in January and February 2001, followed by several thousand tremors. Given the significant damage from the natural disasters it appeared that earthquake recovery and reconstruction was going to be a central focus of my work in El Salvador.

After a long flight from Cairo to Washington and many meetings for an entire week with the inter-agency, the NSC, with congressional oversight committee staff and with the Salvadoran Ambassador to the U.S., I flew to San Salvador. My family plus our Shetland Sheepdog were going to follow a few weeks later from Cairo. USAID's offices were located within the embassy complex and that was a clear advantage for us compared to Cairo where a visit to the Embassy, which was located downtown, could take almost two hours roundtrip. I had a great chance to start establishing a relationship with Ambassador Likins who was kind enough to have a dinner in my honor and invited many key members of the Salvadoran cabinet. I also met with different members of the country team, and a number of the GOES cabinet ministers I would be working with.

In Central America one is never too far from natural disasters be they earthquakes, hurricanes, volcanic eruptions or heavy rains that can cause massive flooding. The 2001 earthquakes had an incredibly significant impact on El Salvador and its economy as approximately 1,000 people were killed. That may sound like a small number but when you looked at the population of El Salvador, probably about five million people at the time, if you equated that result to the United States in terms of our population of 285 million at that time, it would have been the equivalent of approximately 57,000 deaths with many more people injured. There was considerable damage in the rural areas as 165,000 houses were destroyed, hundreds of schools, health centers, hospitals and other infrastructure were destroyed or damaged.

After six weeks in country, I went on mandatory home leave. During our time in California, I received a call from Ambassador Likins who congratulated me on my promotion to Minister Counselor in the senior foreign service. What a wonderful surprise to receive such news!

Q: When it is convenient can you please give us a context when you arrived in El Salvador. What was the political situation? What was the situation in terms of stability and the size of your portfolio?

SILVERMAN: Well, when I arrived people were still feeling very uncomfortable with the impact of the earthquakes. Two massive earthquakes took place, the first on January 13 and the second on February 13, but in addition there were more than 2,400 aftershocks over several months and people were decidedly nervous. It was an uncomfortable period for many, but the Flores government was working pretty effectively with the donor community, in terms of immediate response to the earthquakes. ARENA, the right of center political party, governed while the ex-guerilla group, FMLN, was in the opposition.

Q: Who was the president at the time?

SILVERMAN: Francisco Flores was president. He studied at Amherst and Harvard and spoke fluent English without any accent. His Vice President was Carlos Quintanilla Schmidt, who was a banker and lawyer in San Salvador. Flores and Schmidt introduced the use of the U.S dollar as the official currency of the country and that policy decision led to reduced interest rates and increased trade.

We returned to San Salvador on September 9th and on the 11th the United States was attacked, and the entire U.S. mission was in shock. The Embassy held an event for all the staff in memory of the many lives lost on September 11th and President Flores came to the embassy and stood next to our ambassador to pay his and his nation's respects. The Flores government's show of solidarity with the United States was greatly appreciated by everyone at post.

The earthquake recovery program was in its initial phase of implementation with only a downpayment on what was needed to address the considerable damage caused by this massive disaster. As we learned more from the affected communities about their needs and the costs associated with an appropriate response, and based on our FSN staff's recommendations, I adjusted the program to include support for land titling, a major obstacle to housing construction and we worked with NGOs, the GOES and the National Assembly to create a legal solution to the problem. This was facilitated by a first ever meeting of the GOES, NGO and local government reconstruction partners to create a dialogue and led to a legislative resolution of the titling problem. It also became clear that access to water was a critical issue for housing recipients and so we added water programs to supplement housing construction. Some of these activities were supported with available local currencies.

During this time, we needed to identify a full-time reconstruction leader, someone to help manage the program and be accountable for program results. A priority was also

enhancing coordination with the other U.S. agencies such as the U.S. Army Corps of Engineers and the U.S. Geological Survey and close coordination with NGOs under the program. Several USDH staff wanted the job, but the best candidate was clearly a senior FSN on our staff who I selected. She was a star performer who not only represented USAID well in many settings but was an extraordinary manager of people and activities in this complex reconstruction effort. Given the high profile of the program Congress asked the General Accounting office to provide some monitoring visits and thanks to the excellent management of the program there weren't any significant findings.

In the first year of implementation the reconstruction program was deemed so successful that the congressional appropriators and the USAID Administrator agreed to add \$15 million to USAID San Salvador's budget and in the final week of the fiscal year we received the funds, managed to prepare the needed agreements and then obligated the funding on September 30. To build on this great start we made a persuasive case to USAID Washington to get Administrator Natsios to come to El Salvador, his first visit to Latin America as the head of USAID. Mr. Natsios was head of OFDA in the first Bush administration and an expert in dealing with disasters. He told me and the Ambassador how much he appreciated meeting staff and visiting communities affected by the earthquakes. He was clearly satisfied that his time in El Salvador was well spent and had a good understanding of why the program was working well. The FY 2002 budget identified \$58 million of funding for earthquake reconstruction. Through extensive program briefings for LAC leadership and oversight committee staff as well as the Administrator's office, we argued for and successfully obtained an increased commitment to fund the program at the level of \$100 million in 2002. I can't help but think that the Administrator's visit to El Salvador helped that decision to be made.

Notwithstanding our major focus on responding to the earthquakes, after September 11 President Flores decided to implement a national identity card program and requested U.S. support. I spent many hours identifying available local currency funding opportunities and establishing acceptable performance standards for the national registry office which was responsible for developing and implementing the high security identification card system. This represented a significant step forward in establishing a secure national identity document but the process of establishing centers around the country with adequately trained staff, maintaining high standards in the implementation of the program was complex and required a great deal of monitoring and oversight. In the first year over 700,000 cards were issued which provided a more reliable and accountable document for border security. Thanks to USAID's support, over the next several years almost three million secure identity cards were issued which provided the basis for election security in the next presidential election.

During this time an extraordinary event involving USAID took place in San Salvador. The National Assembly of El Salvador decided to publicly recognize USAID's contribution to El Salvador's development by having a formal ceremony at the Assembly's headquarters. At that event political parties across the political spectrum approved a document recognizing USAID El Salvador as a noble friend of El Salvador. I was asked to represent the agency at the event and received a formal certificate acknowledging our exceptional work and delivered a note of thanks to the entire Assembly. After the event was finished Shafiq Handal, who was the leader of the

ex-guerilla group's faction in the assembly, approached me and wanted to shake my hand and thank me for USAID's assistance to the National Assembly and for the response to the earthquakes. It was an emotional experience for me and the USAID team and a wonderful demonstration of how people from different political persuasions could come together.

Access to decision makers is a large part of being successful in what we do. Prior to El Salvador I had never had any experience with the President or Vice President's office reaching out to me or the First Lady's office calling me for assistance for social programs. In the Flores administration his Vice President often reached out to join me on field trips and I accompanied the First Lady on several field visits to celebrate and review social and health programs we were supporting. Dr. Juan Jose Daboub, who was both chief of staff to the President and Minister of Finance, was an outstanding minister who worked closely with the U.S. mission and sought out assistance from USAID in a variety of areas, ranging from earthquake reconstruction to improving the collection of taxes. He went on to become Managing Director of the World Bank. The United States was in a unique position to be helpful to El Salvador in its development efforts because of the strong bilateral relationship and because USAID had host country owned local currency funds built up over the years from various programs and we were able to respond quickly to support well thought out programs. This relationship caused me to carefully thread the needle, as the ministers would often reach out to me for assistance, and I then had to brief Ambassador Likins before responding to any minister's request.

Because our first term ambassador was sensitive to her role as chief of mission and the appropriate role of the USAID director in the embassy, I had to operate carefully and keep her fully in the loop but that wasn't always possible. An example was when the finance minister asked to see me late in the day and we discussed the possibility of USAID assistance to his tax authority to help improve the government's fiscal situation. That evening minister Daboub saw the Ambassador at a reception and he apparently mentioned our meeting and the possibility of an assistance effort before I even had the chance to speak with the Ambassador. Lesson learned: I needed to do a better job communicating with the Ambassador about relationships with cabinet ministers. Nevertheless, she was fully supportive of the goal to help the GOES improve its collection of taxes. I was able to put together a responsive technical assistance program for the ministry of finance that by 2005 showed a sixteen percent increase in tax collections. This effort directly supported the U.S. mission program plan goal to help the GOES improve its overall fiscal situation.

Over a six-year period USAID managed to accumulate \$170 million of funding for the earthquake recovery program. It wasn't an easy process to achieve this result as it required help from Washington leadership because those resources were not part of our approved budget. While there were political commitments made to provide that level of assistance obtaining the funding through the bureaucracy was an entirely different matter. I worked various channels trying to get the political commitments translated into actual financial flows to the program. The congressional oversight committee staff were supportive, but the LAC bureau didn't have the funds and it took pressure from the Administrator's office to identify and order the transfer of the final tranche of funding for the earthquake reconstruction program.

We were able to utilize the U.S. Army Corps of Engineers to assist the mission in ensuring that the designs for new housing and for schools and health centers would withstand future earthquakes, something we referred to as build back better. By the end of the program more than 29,000 poor rural families had land titles and 27,000 low-cost houses were completed, over 100,000 people had access to sanitation systems and potable water, 14,000 small farmers had received technical assistance and USAID assisted micro/small enterprises generated more than \$8 million in sales. Rural markets, public health centers and rural schools had also been reconstructed while disaster preparedness programs were implemented in twenty-five high-risk municipalities.

I was proud of all of the work that went into this demonstration of what USAID could accomplish in support of our foreign policy objectives. Throughout the program's implementation, we conducted many visits to the field with our Salvadoran counterparts to show the benefits of our joint efforts, including visits by Presidents Flores and Saca and the local press regularly covered USAID's visits to the field in support of El Salvador's development.

With the departure of Ambassador Likins, the DCM became Charge, and I was asked to step up and be Acting DCM for an extended period. An ambassador designate was nominated several months later and then we were challenged to provide all the support he needed for his confirmation process. After five months as A/DCM and two weeks as Charge, helping to coordinate fourteen different agencies at post while still overseeing USAID's work, I had a much greater appreciation and understanding of the foreign policy apparatus and how various parts of the USG could either complement or compete.

I was made the point person for supporting the new nominee, Doug Barclay of New York, and helped draft key briefing materials and testimony for his nomination hearing. Mr. Barclay had been a New York state senator, was a founding partner of a law firm in upstate New York and was well connected to the Republican party. This posting would be his first time as an ambassador and therefore we had a lot of work to accomplish to help him with the confirmation process. Barclay had a successful confirmation hearing and several months later arrived at post. I had the honor of attending his formal meeting with the President of El Salvador who accepted his credentials. I learned a lot from him about the role of local politics in New York!

There is nothing like baptism by fire and as A/DCM I found myself working on a range of diplomatic and foreign policy issues that USAID officers rarely have the chance to experience. Mentoring new State department division chiefs, who work in a different cultural environment was a rewarding challenge. Anyway, I learned a lot about the State department and its constituent parts; how an embassy translates instructions from Washington into actions on policy issues at post and how various agencies such as Homeland Security and the Drug Enforcement Agency dealt with foreign policy challenges. I was fascinated working directly with our military advisors, learning about how the military-to-military relationships functioned and how other agencies competed for appropriated funds, presence and attention by embassy leadership.

After working so closely with several ambassadors and dealing with the state department on a variety of issues, I would describe State department culture as somewhat centralized and based on a hierarchical order while USAID's culture was much flatter and much

more decentralized. No one in the embassy would think of challenging the Ambassador in a meeting and when he/she entered a room of course everyone would stand. Well anyone working in USAID would know that encouraging lively feedback was part of the USAID work environment and culture and officers had no problem challenging views of a director. Finally, USAID decentralized a great deal of decision-making and delegated authorities to the field which meant for example, as director I signed international agreements and obligated funding while the Ambassador's signature was nice to have on agreements, but it didn't make the obligation legal. Some ambassadors and their senior staffs had real concerns with this concept, but the system worked well.

One of the more gratifying areas we worked on was in helping develop the framework for the Central America Free Trade Agreement [CAFTA], as a bridge between the Salvadorans and the United States Trade Representative [USTR]. The value of trade capacity building with both government agencies and the private sector representatives was obvious as the Salvadorans prepared to seek ways of broadening the benefits of the economy and looked for new export opportunities under a free trade agreement. Working closely with USTR, the Ministries of Economy and Agriculture and key private sector associations allowed for focused attention on what areas needed improvement before El Salvador was able to take advantage of key export markets.

Our trade capacity building efforts for example helped 1,000 micro and small businesses improve business practices and reach new customers and facilitated 170 small businesses to enter new export markets. The Minister of Economy and USTR's leader, Ambassador Zoellick, publicly acknowledged the important role USAID's assistance had in furthering El Salvador's export potential. In parallel USAID's export promotion activities helped create new opportunities for agricultural producers by promoting high quality coffee that was sold to new outlets in the U.S., Europe and the Far East, enhancing the Salvadoran coffee brand. Ambassador Barclay even helped bring down owners of a specialty coffee chain from New York and we helped them link up to some of the leading Salvadoran coffee producers and exporters.

After the successful presidential elections of 2004 Tony Saca and his team entered the picture. What was unique for me was having a Vice President and a Foreign Minister who were once FSNs working with USAID San Salvador. The new Vice President, Anna Vilma de Escobar, worked on export promotion activities at USAID for ten years and I believe Franciso Lainez, the Foreign Minister, worked in the program office. Imagine how easy it was for them to pick up the phone and want to meet with me and offer ideas for additional assistance. They understood what USAID could and could not do and, in that regard, we had two key interlocutors who valued USAID as a partner. Working with both terrific people was challenging but rewarding and together we made great strides in expanding export promotion and agricultural diversification efforts in El Salvador, reaching many small enterprises. Shortly after the new government took office CAFTA was signed with important labor and environmental protections and new opportunities for jobs and trade growth.

The Environmental Investment Fund of El Salvador, known as FIAES, was created thanks to an agreement to reduce external debt between the US. and Salvadoran

governments with the aim of supporting sustainable growth and the conservation of natural resources. As USAID Director I was the representative of the United States on the FIAES board of directors and the Minister of Environment was the GOES representative, but the board also had members from civil society, some of them environmental activists and it was interesting to watch the public private dialogue in action. In response to disaster rehabilitation needs and without having to find new funding, we reprogrammed existing funding and convinced the FIAES board to make new investments which led to the financing and implementation of twenty-two community-based infrastructure projects that had a positive impact on thousands of people.

El Salvador wanted to explore the possibility of receiving a grant from the Millenium Challenge Corporation [MCC] to promote economic growth in its northern zone where half of the poorest municipalities were located. In order to get to the point of actually signing a compact with the MCC, El Salvador, as a middle-income country, had to first qualify for assistance. There were limited opportunities for middle income countries and the competition was fierce. MCC established scorecard indicators for various policies and before El Salvador could be considered the government had to address specific policy issues. The Minister of Economy asked USAID to coordinate efforts to help support Millenium Challenge Account goals and to work with El Salvador to address the issues that needed attention to qualify for MCC assistance. Within our existing budget USAID provided targeted technical assistance to help set the framework for El Salvador's threshold program helping them qualify for assistance.

With U.S. government support, El Salvador was able to be considered for MCC funding and then they successfully developed a comprehensive proposal for a compact to the MCC and successfully negotiated a \$461 million program that was approved in late 2006. The idea was to focus on new investments in clean water, electricity, sanitation, teacher training and student scholarships in the Northern Zone. I was honored to attend the signing ceremony in Washington as the guest of the Government of El Salvador in November 2006.

In 2004-2005 LAC/W made several important decisions about USAID roles in Central America, transitioning El Salvador to become the regional hub, first by providing contract, financial management and executive office assistance to all the Central America Missions and then having El Salvador assume responsibility for the regional program that had been managed out of Guatemala. I was asked to chair the board of directors of all the USAID missions to help coordinate efforts to promote synergies and improved communications across the region. Coordinating and supporting six different country missions was going to be a challenge and we started by trying to establish video conferencing capabilities with all the missions which helped improve communications between support staff and line offices and between the front offices of the missions. We were able to streamline regional operations while expanding support services to the region. We all worked together to develop a new five-year regional program focused on strengthening CA governments capacities to work on environmental and labor activities and increase trade, investment and jobs in the region.

In early 2005 the Deputy Administrator called me in San Salvador and asked if I would return to Washington to become the operations leader for the President's Emergency Fund for AIDS Relief [PEPFAR] which as I understood it was a slot that had been filled by a senior USAID officer. In essence this would be a job directly reporting to Randall Tobias, the PEPFAR coordinator. Frankly this wasn't an opportunity I wanted to be involved with, and I still had work to do to get the regional hub operating more efficiently while also helping our ambassador lead the U.S. mission. It wasn't a comfortable conversation because the Deputy Administrator felt that I should use my management expertise to help the agency in this Washington assignment, but he heard me out and I politely said no thank you and then the call ended. More on Randall Tobias later in our interview.

During this period, we had an important USAID and State Department high level visit to El Salvador. State's Director of Policy Planning and USAID's Assistant Administrator for Policy Planning wanted to look at USAID programs to better understand how diplomacy and development go together. We put together an extensive program, impressing both Washington leaders with how USAID used scarce resources in democracy programs for example (5,200 mediation cases resolved the prior year as well as the successful launch of secure national identity cards for election integrity) and economic growth initiatives using targeted technical assistance (tax reform, small business development and agriculture promotion) to leverage policy, promote competitiveness and create new economic opportunities. The briefings which described the linkage between USAID funded programs and U.S. national security interests left the delegation impressed with USAID's ability to contribute to foreign policy objectives. The State Policy Planning director helped develop the foreign assistance reform initiative under Secretary Rice.

Q: How was the situation with stability, drugs, gangs?

SILVERMAN: Gangs were a problem for El Salvador but nothing like it had been recently. We had assistance from the Department of Justice in terms of promoting community policing where the objective was for officers to spend time in the communities, on bicycles and not in squad cars, getting to know local leadership and demonstrating that they were there to serve the community. However the authority to continue community policing was coming to an end and the only way to continue the model community policing program was to extend this authority. I helped make the case for new authorities to the Assistant Administrator and to congressional staff as this program was critical in helping to address crime and public safety issues in El Salvador.

Congress approved El Salvador as one of two countries in the world to receive authorization to continue community policing efforts. The ex-chief of police from San Jose, California, who had successfully worked with community policing there, was an advisor to the Salvadoran director general of police. USAID provided limited support to the program by providing the bicycles and other non-lethal equipment plus training.

To put a perspective on the crime and gang issue, during El Salvador's civil war many families fled with their children to the United States and their kids grew up in urban centers like Los Angeles. Unfortunately, many young men became connected to gangs in Los Angeles and that is how the MS 13 gang was founded in Los Angeles. After the end

of the civil conflict many of these young men returned to El Salvador and brought with them best practices of Los Angeles gangs and began to spread this criminal model around El Salvador. One could say that thanks to U.S domestic gang problems El Salvador's crime problem exploded.

While we were in El Salvador there weren't large scale gang attacks but rather a high level of concern about personal security. There was a fear of car jackings. Armed guards were placed in front of enterprises like banks or restaurants. We would always be very careful when we were parking our car somewhere, and we had a special tool that locked the steering wheel with the brake and made it impossible to steal the car. Personal security was important, and all our embassy homes had security systems in place with compound walls protecting entrances. The idea was that thieves were basically lazy types; they would go to the easiest entry point possible so if we hardened entry to a home then they would likely try someone else's house to burgle. This strategy worked rather well.

Q: I might comment that when we were in Kenya our Mitsubishi was stolen so once we got another one, we had one of those locks and a steering wheel lock.

SILVERMAN: As I mentioned earlier, one of the things the AA asked me to do was to enhance the legal, contract, financial management and executive office support from the new regional support center out of San Salvador. It took more time to develop than we had anticipated since USAID's recruitment cycle trails work needs and we had to transfer some of the functions from Guatemala while adding new ones from San Salvador, so this took several years to fully put into place. The AA wanted the regional program, which had been managed in Guatemala, to also transfer to San Salvador and so we had to recruit staff for the positions that were being transferred. Regarding participating in the regional program for Central America we saw opportunities to help improve the quality of coffee being grown not only in El Salvador but also in other CA countries. The regional program helped select Salvadoran producers improve the quality of their coffee, make them more competitive and facilitated Salvadoran participation in the specialty coffee market through the introduction of an electronic auction called the Cup of Excellence where small coffee plantations producing high quality coffee would compete with other coffees in Central America for sales to buyers in the U.S., Europe and in Asia.

We now see the fruits of these efforts as more and more Salvadoran specialty coffee is available in the marketplace, from Nespresso (part of Nestle) to Starbucks and among many barista coffee shops. Nespresso has expanded their American market share, and they even have a boutique store in Northern Virginia's Tysons Corner shopping mall. The value added from these efforts has helped thousands of small Salvadoran coffee producers.

In summary, when I first arrived in El Salvador my focus was on leading the USAID mission and directing efforts to help recover from the devastating earthquakes of 2001 by implementing a high profile \$170 million reconstruction program. Leading USAID required a focus on managing the development of programs, recruitment of new staff and ensuring that our strategy was consistent with Administration goals and objectives. I was then given the unique opportunity to step out of my comfort zone and directly support the Ambassador in U.S. mission management and when she left post I was acting DCM for

many months. After the new ambassador arrived and the DCM departed post, I was again asked to be Acting DCM and thus spent a total of eleven months as Acting DCM during my time in El Salvador.

Guiding fourteen different agencies was a formidable task but it was even more challenging with a new ambassador on board. All in all, it was a wonderful learning experience for me and it also provided the USAID Deputy Director with increased responsibilities although I had to stay engaged to make sure that my other supervisor, the AA/LAC, was comfortable with the state of the USAID program. During my time in the Embassy front office, we addressed many foreign policy issues that had nothing to do with USAID but were important to our government and some of the issues can't be touched upon in this interview. It was without question an exciting educational experience that helped me with future work.

I was honored to be nominated for promotion to career minister but missed the mark by one. More importantly to me, just before my departure from post, I received a special award from the President of El Salvador for strengthening the bonds of friendship between the United States and El Salvador and for my work in helping the people of El Salvador. This award is framed and proudly sits on the wall of my den office. Notwithstanding the tragic set of occurrences associated with the natural disasters that occurred in El Salvador, without question my job as USAID Director in El Salvador was the best job I had in my entire USAID career. Working with such a talented staff, and with host country counterparts who were generally first rate was an experience of a lifetime and one that I will always remember.

By the end of 2005 I believed it was time to return to Washington headquarters again, and fortuitously the AA/LAC, Adolfo Franco, wanted me to come to Washington and be his senior deputy. Adolfo had visited El Salvador several times during my last year at post and was impressed with the work being carried out by the mission. Adolfo was a Cuban American who had been the President of the Inter American Foundation, was well plugged into the Cuban diaspora and spent considerable time on the small but sensitive Cuba program. I was pleased with this offer and once the Administrator agreed I headed to Washington to become LAC's Senior Deputy Assistant Administrator in the summer of 2006.

Q: The request to work for PEPFAR; when was that?

SILVERMAN: This was in 2005 before Tobias became the USAID Administrator and head of the Office of Foreign Assistance under Secretary Rice. He had been the head of PEPFAR. Ambassador Randall Tobias, who didn't last very long in that position.

Q: Yes, I do know who you were talking about. He was unceremoniously thrown out.

SILVERMAN: Yes, the public message was that he resigned and it's likely correct but there was no doubt that he resigned in disgrace. I'm glad I didn't accept the offer to work directly with him in PEPFAR and thankfully the agency front office never pressed me on it again. My next job was to support our people in LAC. Do you want to stop now?

Q: No, continue if you want.

SILVERMAN: I arrived in Washington in June of 2006. The LAC front office was structured with the AA, a political appointee DAA and then the SDAA who was the senior career officer in the bureau. I was delegated specific responsibility for the Central America and South America regions (included two regional and eleven bilateral programs) and the bureau's strategy, program and budget office. Secretary Rice had approved establishment of the F bureau which led the foreign assistance reform effort and the new budget process. I was the senior manager responsible for leadership and interaction with State's F bureau and I represented LAC in the interagency policy coordination process for South and Central America. We had to forge an alliance with different State Department elements to implement foreign assistance reform in the Western Hemisphere region and that required integrating, for the first time, a State/USAID budget that had to be approved by the new Director of Foreign Assistance, Ambassador Randall Tobias. It was to some extent a new world for USAID.

While the reform process was underway the interagency was busy addressing different foreign policy priorities in the Western Hemisphere. For example, the executive branch and congress were focused on Colombia and the need for a new strategy to address the drug and violence issues in that country. I worked closely with Embassy Bogota, with State's Western Hemisphere Affairs [WHA] bureau and other interested agencies to help refocus and increase resources for a Plan Colombia strategy and along with State department leaders briefed relevant congressional oversight committee's staff. I accompanied Under Secretary of Political Affairs Burns and Assistant Secretaries Patterson of International Narcotics and Law Enforcement Affairs [INL] and Tom Shannon of WHA on a major interagency visit to Colombia, which in part highlighted USAID's \$130 million a year program. Together we provided key input to the USG's new five-year strategy for engagement and support of Colombian democracy. Teaming up with the Department of Justice and the State Department we were able to convince President of Colombia Uribe to commit more funding to justice reform and human rights efforts. Undersecretary Burns thanked USAID for its work in support of Plan Colombia. The Principal's committee approved the new strategy for Colombia.

The new budget process represented a break from the past as USAID's policy apparatus and budget function were no longer leading the development of a budget and we had to create a State/USAID unified presentation of priorities for the region that was unprecedented. This process uncovered quite a few State department units who were interested in expanding their footprints in the assistance arena and it was interesting to watch the dynamics between central bureaus in State and USAID during the budget building process with F. Congress was also uncomfortable with the unified approach and when we were on the Hill briefing oversight committees, we continued to receive questions and complaints about the lack of information on USAID's budget including requests on the amount of money to be included in the budget for different types of programs utilizing different budget accounts. As we were proposing a unified State/USAID budget there wasn't a USAID budget number that would stand alone. Following Secretary Rice's senior review, which I attended, and approval of the joint USAID/State assistance budget proposal I joined the WHA deputy assistant secretary to present the FY 2008 budget proposal to the Office of Management and Budget [OMB]

and when OMB further cut the budget proposal, as they usually did, I helped forge a consensus with State on a reprioritized budget appeal.

During this time there were other priorities in need of attention. The foreign assistance reform process affected not only developing a new budget but also in implementing the current budgets across the hemisphere. Needing to make operational adjustments we launched operational plan training in the field, helped mission and bureau managers respond to the many questions associated with the new process and focused on improving customer service to the field which resulted in twenty quality operational plans. My own view of the integrated budget process and the role of the dual hatted Administrator and Director of Foreign Assistance was that it created tension among State units and USAID bureaus as many State elements, such as Population Refugees and Migration [PRM], Oceans and International Environment [OES], INL and Global Affairs launched attempts to secure higher levels of funding for their respective priorities and since USAID no longer was in charge of its own budget, F staff had a great deal of influence over the outcomes. Linking USAID policy to budget was lost.

An interesting example was with regard to trade capacity building funding where USAID, with its field presence and experience working with host countries and USTR, argued for the resources required to enhance CAFTA implementation and the OES bureau, at the Assistant Secretary level disagreed and wanted to control trade capacity funding, even though they had limited presence in the field and limited program capabilities. Memorandums from USAID and OES arguing over which agency should be the trade capacity building lead and have access to these funds went on for months without resolution and our field work suffered in the process. This whole process generated high levels of anxiety with the LAC bureau leadership and with our field missions.

I sensed that although Tobias was also the USAID Administrator, he showed limited interest in USAID's role in supporting foreign policy through its technical assistance capacity and field presence. It seemed to me that the foreign assistance reforms were linked more to budget mechanisms in Washington, to help policy makers have a clearer picture of where funds were going but they didn't really focus on what tools were needed by USAID to get the job done and to generate the results that the executive branch and the Congress expected. It was Washington centric and deeply disappointing to me.

As the senior career officer in LAC, I felt that our Administrator wasn't interested in meeting with USAID senior managers and visiting USAID missions, at least in LAC. I believe he wanted to break the link with the foreign service career corps and focus on the State department leadership role and getting buy-in from the Secretary while working with some of USAID's senior staff to implement the reform. He made one trip to our region to meet with USAID directors in San Salvador and refused to allow LAC bureau senior leadership to have input into the planning of the meeting or to even attend. The Ambassador in El Salvador was surprised that USAID LAC leadership wasn't involved. Tobias' office told the LAC bureau that this was a state department trip and that it would handle trip planning and LAC support wasn't needed. That sent a negative message to all of us and to the field. The F process may have brought some rigor to the budgeting

process but as State department controlled the budget and ultimately made the decisions, foreign assistance policy priorities and understanding of strengths and weaknesses weren't always key to decisions. Some years later USAID reestablished its policy bureau and its budget shop which allowed the Agency to link resources to policy priorities, and I believe be more responsive to the U.S. Congress and our taxpayers.

In visits to Bolivia and Colombia I helped these missions advance our foreign policy through extensive outreach with local media and in discussions with host governments. In Bolivia, the major coca producer Evo Morales was president, and his party controlled the legislature. In a meeting with the equivalent of the leader of the lower chamber of their congress, I had a lively discussion about democratic processes, and the leader told me he was unhappy with the Bolivian senate. He said that the lower chamber had more people than the senate which also had opposition politicians, and the senate was stopping his chamber from moving forward with proposed legislation that favored the ruling party. His answer to this problem was to eliminate the senate and he was proposing legislation that would do just that. The Bolivians were implementing their own brand of socialistic democracy. I had several opportunities in secondary cities of the country to meet with mayors and with the media and spoke at length of USAID's work to support the Bolivian people. In Colombia we had a terrific USAID team led by Liliana Ayalde who worked with me in Nicaragua. The trip provided several opportunities to support USAID's role on the country team and its work in promoting alternative development and new democratic principles with both the government and with NGOs. Liliana went on to become Ambassador to Paraguay and then Ambassador to Brazil.

Working closely with the NSC's senior director for the western hemisphere, I was able to explain USAID accomplishments in health, education and economic growth in Latin America to the White House which led to the NSC's inclusion of several key USAID/LAC programs in President Bush's speech to launch his Western Hemisphere initiative. Finally, the LAC team provided excellent briefings to NSC staff which contributed to the President's meetings with USAID grantees and partners during his visit to the region, (Brazil, Colombia, Guatemala, Uruguay and Mexico) affording high level visibility to USAID's exceptional work in the Western Hemisphere.

In Nicaragua I led USAID's 2006 election observation team and noticed with interest that Ortega's campaign had softened the Sandinista image, eliminated their famous black and red colors and advertised his candidacy with soft colors that could have been developed by an advertising agency. With a young population many Nicaraguans had limited direct experience with the Sandinista led government of the 1980s. Ortega won the election and went on to change the constitution and jail his opponents, and unfortunately, he is still president, eighteen years later.

Getting back to Ambassador Tobias, as Acting Assistant Administrator I was called to the seventh floor to meet with Agency senior staff. Apparently, the Administrator/ Deputy Secretary Tobias was "resigning that afternoon" but the real story appeared to be related to an ABC News report with saucy reporting on allegations that he was bringing in young ladies for massages to his apartment like ordering pizza. We were told to keep focused on our missions and their programs. Ambassador Tobias returned to Indianapolis,

Indiana and became a part of USAID history. I think it was fair to say he wasn't well liked by many USAID staff in Washington and wasn't going to be missed.

During the following days senior staff met with Deputy Secretary Negroponete who told us that he was going to step in as replacement for Tobias but for us not to worry as he wasn't planning on doing this job for very long and for us to continue managing our business. I came away from the session with a new sense of hope for all of us. The President then nominated Henrietta Holsman Fore, who earlier in her career was an Assistant USAID Administrator and who was now Undersecretary of State for Management, to be the next USAID Administrator and head of Foreign Assistance. Henrietta was not only thoughtful and personable, but she took the time and interest to visit with bureau staff, chatting in their offices and with bureau leadership. She created a favorable and hopeful relationship with Agency staff that set a higher standard than her predecessor who never visited our offices and to the best of my knowledge wasn't that interested in USAID. She worked with key congressional leaders to increase USAID's operational budget that would allow for expansion of its core staff. Henrietta ran what I would call an F bureau light operation.

Adolfo Franco, who had a strained relationship with Ambassador Tobias, left USAID and Paul Bonicelli, who had worked on democracy issues in another bureau, was nominated to replace him. My task was to help Paul get ready for his Senate confirmation hearing. I set up a series of key policy and program briefings, while leading the development of his testimony. Paul had an excellent hearing and was confirmed as our new AA. We worked well together and while he was a political appointee with limited exposure to USAID operations in the field, I appreciated his willingness to listen to my views and make thoughtful decisions. He was a valuable resource in Washington, and he facilitated my ability to work with several key Republican leaders in the State department as well as the NSC which enabled me to get USAID's message across to policy makers and demonstrate the value of foreign assistance results to U.S. foreign policy objectives.

Recruiting officers for senior management positions was another important part of the Washington job. This process was called the Senior Management Group [SMG] and it's now called the Senior Leadership Group (SLG). It had many stakeholders and the "employing bureau" wasn't necessarily the key unit associated with recruitment decisions. I tried to reinvigorate the recruitment process, and we were successful in helping fill critical vacancies but the approach to selection had changed rather dramatically across administrations. There was a time when the "employing bureau" had a great deal to say about the assignment but that seemed to have changed to a recommendation that was to be considered among other stakeholders in the recruitment network such as the office of personnel, other bureaus, and of course the Deputy Administrator. My own view is that the "employing bureau" recommendation should be given much more weight than support offices or other bureaus. This is just my view.

Q: Now Mark, did this group consist primarily of people from State?

SILVERMAN: No, this was strictly for USAID senior positions and no State Department staff were involved. Ambassadors had to concur with mission director assignments and after the SMG approved the selection the “employing bureau” leadership would request Ambassador concurrence. The personnel function had a role in obtaining feedback on candidates and that was important, but I believed and still believe that the bureau where the officer was going to work should have had a greater say in the selection process. I understand and agree with the importance of promoting diversity as part of the recruitment of staff; I felt that as Acting AA and SDAA that perhaps the Agency leadership should be paying additional attention to bureau needs and the important relationships between bureau leadership and mission leadership. During my assignment in Washington there was a great deal of tension among various agencies with attempts by some to unilaterally make decisions on budget allocation and size of missions without having much of a dialogue with affected bureaus. It seemed USAID was on the receiving end of retrenchment decisions without having a lot of input into the decision-making process. After Henrietta Fore came on board that tension was reduced and perhaps leadership skills had something to do with that.

Honestly, one of the reasons I decided to retire when I did was that my weekly review of challenges and accomplishments during work was to think about what we were able to stop from happening. Being able to defuse attempts to unilaterally reduce budgets in specific accounts or engage on how to better provide support to field missions or stop recommendations to eliminate specific country assistance. USAID was overwhelmed in the interagency, moves were being made to close missions, especially in our region, budget cuts were being considered and while I certainly understood the rationale behind some of the decisions there was limited dialogue and discussion with the LAC bureau. Finally, I felt somewhat burnt out.

Q: Mark, may I surmise that this was in contrast to El Salvador, which was a very satisfying post, if not one of your most satisfying posts?

SILVERMAN: Yes, I would say that the Washington posting was an educational experience for me as I appreciated being exposed to the inter-agency on a regular basis and to see how the different foreign policy components operated. When I was at a meeting at the NSC and I was the only USAID person working the issue, let’s say the growth of the coca crop from Bolivia or Nicaragua elections issues and the Defense department was represented by ten people from various units and the State department with six to eight officers or even Treasury had someone to deal with the topic, I recognized how short staffed USAID was at the senior levels compared with other parts of the interagency. Taskers and turnaround times for decision documents from the NSC then became major challenges to us. In that regard there was a great deal of stress associated with the job and the responsibilities. I thought that USAID needed additional staff to be more responsive to the interagency part of the work but that wasn’t possible and the interagency didn’t view all agencies equally.

I was indeed frustrated and felt like it was time for a change. I learned a great deal and accomplished some good for the region, but I have to say it wasn't the most fulfilling job in my USAID career. But what I learned from the process was that USAID had to be more aggressively involved in the inter-agency if we wanted to influence the policy agenda and that we needed more qualified staff working in that arena. This work represented an important part of the agency's role in supporting U.S. foreign policy goals and objectives. It was a difficult decision to make but after many years working in Afghanistan, Egypt twice, Peru, Nicaragua, El Salvador and twice in Washington, that a new generation of leaders should be given the opportunity to serve and I decided to retire from federal service. My successor as director in El Salvador replaced me as SDAA and I felt good about that personnel decision.

I left government service only to find out that for several years I was in demand for short term assignments. Do you want to cover all of my post USAID work in the next discussion and any wrap ups? I believe we may be done for today.

Q: Today is Tuesday, March 5, 2024, and this is my last interview with Mark Silverman. Mark has given us a fascinating overview of his career in AID, and we are now moving into retirement and any reflections he has, lessons learned or whatever words of wisdom he has to give to others. So welcome Mark.

SILVERMAN: Thank you, Marcy. You mentioned the word retirement. Well, it has different meanings to different people, right? I actually had some different thoughts until I started receiving telephone calls and E-Mails asking me if I could be of some help to the agency. I was not planning on doing this so soon after I left the foreign service, I really didn't need the money but with my sense of public service as well as the interesting challenges out there, I agreed to help.

The first short term assignment was from Colombia for September 2008. I mentioned earlier that my last assignment was in the LAC bureau front office and one of the critical areas I worked on was the development of a new broad-based strategy for Colombia that led to legislative support for increasing assistance for Plan Colombia. The Colombia director asked if I could help the mission review their program strategy on alternative development and facilitate a series of discussions with senior staff to develop a strategic plan for their program over the next three years. I spent several weeks at post and produced a report with recommendations to develop better assistance focus and to strengthen their interface with the State department. Several months later I was asked to return to Bogota as Liliana Ayalde was nominated to become Ambassador to Paraguay and would soon be leaving post and Susan Reichle wanted me to help lead this high profile mission as Acting Deputy Director and Director. I spent a busy month in Bogota working with the country team and helping the mission staff complete implementation of the budget while also interacting with key counterparts on a variety of program and project issues. During that temporary duty I received an email from Jim Kunder, the Deputy Administrator who heard I was in Bogota.

The Bush administration was scheduled to leave office on January 20, 2009 and Kunder told me that he was leading transition planning at USAID and that the agency front office was looking for a senior officer to step in and help lead the Bureau for Economic Growth and Agriculture [EGAT] for some time while the Obama Administration staffed up. Jim and Henrietta Fore thought I was the right person for the challenge, but he was a bit embarrassed to be pushing me so soon after I retired from USAID. We had several more exchanges and then a call to talk more about transition needs. To do this job I would have to be on a direct hire appointment with the full support of Agency management and while I had no direct experience with EGAT I was aware of its multiple functions. The political AA was leaving in a few weeks and Bill Hammink, the SDAA, was to depart for a directorship in Africa. Agency leadership wanted this personnel action to be in place as soon as possible and I agreed to lend a hand with the understanding that I was only available for around four months. Well honestly, I had never seen the personnel system work so quickly but I learned that when the agency's front office wanted something to be done, the bureaucracy could make that happen. In a period of several weeks the appointment came together and in early December I was on board as Deputy Assistant Administrator. The assumption that it would take several months for the new administration to nominate and have confirmed leaders turned out to be inaccurate; it took almost two years to have a new administrator in place. Alonzo Fulgham, who was USAID's chief operating officer, became Acting Administrator. I worked closely with Alonzo and the other acting heads of bureaus during my assignment at EGAT where I essentially performed as the Acting AA but kept my DAA title. Just an FYI, Raj Shah was nominated to be USAID administrator in November 2009 almost eleven months after the Obama administration started its work! Boy did we underestimate political action in Washington.

I mentioned earlier that the serious downsizing of USAID staff over the years had translated into the loss of many technically skilled officers and staff functions. At the same time the scope of USAID's responsibilities greatly expanded across the globe, including new missions in Iraq and Afghanistan. Henrietta Fore was committed to revitalize the agency, to seek congressional approval for a substantial increase in the operating budget and in the size of the foreign service. USAID needed more staff to design and implement the programs under its responsibility and it was grossly understaffed. The Development Leaders Initiative (DLI) was born. Janet Ballantyne was a leader in the development of the initiative and EGAT was the technical bureau that focused on growing capacity with new agriculture, environment, education and economist officers. The view was that USAID had delegated far too many functions to contractors because the only way the work could be accomplished was to contract it out. USAID lacked direct hire staff authority and sufficient budget. Contractors could be financed with program funds, not operational funds and that was one of the ways around the problem. With congressional support for a larger budget and a larger USDH workforce USAID would be better able to lead and be more accountable for the management of its budget.

It's important to remember that in 2008 we experienced the financial meltdown, thousands of people had lost their jobs, and the economy was seriously in trouble. The

response to the DLI from the standpoint of the number of applications was huge. Someone had to review the applications, rank them against an established standard, and determine which individuals would be interviewed for potential positions. Many of the applicants had little idea of what USAID was or what the job requirements were. I saw files of candidates who were McDonalds managers or salesmen from different types of enterprises.

The entire senior leadership of USAID worked in an acting capacity. We used to call it the Hollywood crew because no one was Senate confirmed but we all had responsibilities of assistant administrators. Everyone in the White House was new, the NSC was being staffed up as it established its oversight role with USAID while it was placing operatives who worked in the campaign in specific positions at USAID. Once Bill Hammink left the bureau, I had to find an experienced officer to lend me a hand, so I turned to Mary Ott, who was the director of the economic office, to ask if she was willing to be Acting Deputy Assistant Administrator. Mary was extremely bright, had experience working with USTR and had worked in LAC missions. She agreed to join me in the front office and provided a great deal of assistance.

At the same time Afghanistan was expanding and EGAT was tasked to provide mission assistance in several key areas. We were also asked to donate; find officers to go out to Iraq or Afghanistan for six months to a year without considering the impact on the bureau. I would characterize the five months I spent leading the bureau as challenging because we had 1) the launch of the DLI, 2) to develop and substantiate a budget for the following fiscal year; 3) to make staff available for service in Afghanistan and Iraq and finally find a replacement for me. We had a replacement named who was the director in Afghanistan, but his ambassador wouldn't release him on time and therefore we had to address the leadership gap.

My wife and I had a commitment to attend a destination wedding in Italy in June and I had to leave EGAT. The only way out was for me to find my temporary replacement and that I did. I happily departed from the EGAT assignment, had a great visit to Italy and Spain and then returned to my retirement.

My next short-term assignment was to Quito Ecuador in 2010 to serve as acting director. The director had to depart, and I stepped in to help the country team while a new director was selected. The Correa administration was in power at the time and relationships with the United States were rocky. Correa had a strange view of the role of government and how it related to civil society, and he was definitely far to the left. I had the pleasure of spending six weeks in country working with Ambassador Hodges, who was DCM in Managua during my stint in Nicaragua. Ecuador is a beautiful country and Quito a fascinating capitol city that is surrounded by high mountains and volcanoes. Due to the political environment the mission was in a holding pattern, and I had minimal contact with the host government but I was fortunate to be able to travel and visit various USAID sponsored projects in the field and helped mentor new employees. The FSN staff were friendly and quite experienced. This was also the time when WikiLeaks broke and cables drafted by embassies became available to the public. Not a happy time in embassy Quito.

Q: Mark, I am glad to hear you say that you liked Quito because I was born there, and I also lived there when my father was ambassador. It is a lovely city.

SILVERMAN: The work side was frustrating given limited contact with the government and strained relations but the experience of exploring Quito's old city was exciting and the FSNs were happy to show me their town and take me to their projects. To me the real tragedy was Ecuador, a country with a huge natural resource base and wealth, in conflicts between the government and the indigenous communities over its natural resources. President Correa tried to obtain a commitment from the international community to pay Ecuador not to take oil out of the Amazon, a unique kind of extortion. He had hoped to find \$500 million from donors but nothing came of this unusual idea.

Later in 2010 I received a call from the Democracy, Conflict and Humanitarian Assistance bureau [DCHA] to step in and fill a management void while the bureau looked to recruit someone long term. The Program, Policy and Planning office was responsible for staffing the bureau, working the budget and helping the front office address long term planning needs. Over a two-to-three-month period I did everything from space planning to facilitating the confirmation of DCHA's Assistant Administrator designate. Another opportunity to view the presidential appointment process up close and to help a bureau strengthen its capacity to plan and support field operations as OFDA was in that bureau.

In 2011 I took a call from LAC asking for assistance in Panama as the mission director left unexpectedly and the bureau was looking for a senior officer to fill the gap. Having worked in Panama during the prior century I was interested in returning and apparently while a small mission with a focused program, it needed management assistance. While I was able to establish a good working relationship with the Ambassador, I learned from her that she was mighty unhappy with USAID/LAC leadership over poor communications. During my assignment, I was called by the LAC non career deputy assistant administrator and informed that Washington had decided to close specific country missions and Panama was on the list. I understood that Panama was a middle-income country that had significant revenue from the Panama Canal but there were many issues that the USG was concerned with ranging from the environment to the Chinese role with the canal and with gang activity and security issues.

After sharing this information with the Ambassador things got more difficult with USAID/LAC and I encouraged our Washington leadership to take a more proactive approach with the Ambassador. She was clear- she had absolutely no issue with my work but with Washington there were great concerns. My instructions from Washington were to prepare a closeout plan without consulting with staff, in essence, manage the mission and in my spare time put together a sensible close out plan. I worked with El Salvador's front office as the regional hub to think through various approaches, research the portfolio in order to lay out a detailed time phased plan to wind down the program and identify the resources necessary to accomplish this task. Washington had not considered the costs associated with closing the program, ranging from salary adjustments of staff with many years of service to addressing contract terminations and such. At the end of

the day, I provided the Ambassador and LAC management with a well thought out plan to gradually wind down and close out the program as well as a set of diplomatic recommendations that the United States could act upon in concert with the Panamanian government. The Ambassador had to advise the Panamanian President before any of this could become public information. This turned out to be a bizarre assignment and I was happy to return home.

I then received an offer from the Policy Planning and Learning bureau [PPL]. Susan Reichle was the head of the bureau, and she wanted me to help work on a number of priorities that Administrator Shah had which would focus on strengthening the program and project development function in the agency. I facilitated the planning and implementation of a worldwide conference for program and project development officers that included high level engagement from USAID's front office as well as the participation of several ex USAID officers who had become U.S. ambassadors and their insights on USAID and the country team. I then drafted a worldwide policy statement from the Administrator to the field on the new directions of USAID program implementation.

The final USAID short term assignment was with the Middle East bureau. By 2013 Mary Ott was in Cairo as USAID Director and the Assistant Administrator of the Middle East bureau was Alina Romanowski who went on to become Ambassador in several of our embassies in the Middle East. After the Arab spring turned into a difficult summer a leader of the Muslim Brotherhood won the presidential election, the economy tanked, people demonstrated and the military wouldn't support the government, leading to violence and the military forcibly assuming power. While in my view it met the definition of a coup given the important ties with Egypt the USG appeared to dance around the issue, and did not recognize it as such. There were demonstrations in Cairo and some violence and given the dangers and security concerns the State department ordered a major draw down of staff at the U.S. mission and most of USAID's American staff were evacuated to Washington while a small number of staff were allowed to stay at post.

AA Romanowski asked me to help the bureau work through the issues with the NSC and State department associated with USAID continuing assistance in Egypt and to go out to Cairo, when allowed, to give Mary Ott a break and the opportunity to return home for a rest. Because of the abrupt change in government and our close national security relationship with Egypt, the White House called for a review of assistance to Egypt, both economic and military. While I was in Washington a complete review of policy towards Egypt was initiated and I provided some support for that effort. Most of USAID's employees were in the basement of the Ronald Reagan building and I tried to help sort through issues with some short-term executive officer assistance that was provided by John Peevey. The situation on the ground in Cairo was tense as martial law had been established. State's Undersecretary for Management held firm with limiting the number of USAID staff at post and I had to wait a month until my travel was approved. USAID Cairo had a deep bench of FSN staff who were experienced and had close contacts with key counterparts. At the same time, they couldn't be involved with some of the

management issues that were going on between Washington and the field and the first-time deputy director had recently arrived at post. Middle East bureau leadership finally received approval for me to go to Cairo and step in as Acting Director.

I went to Cairo for a month and worked closely with the Charge David Satterfield who was a seasoned diplomat with many years of experience in the Middle East. As you are aware the U.S. had an important defense to defense relationship as Egypt transitioned out of Soviet support for their military after Camp David and the U.S. then became a key partner. Foreign military sales were a very big part of our government-to-government relationship, and they were also caught up in the policy review. USAID had a substantial assistance program that was essentially placed on hold. It was a tense time in Cairo with a major Egyptian military presence everywhere. The GOE established military checkpoints all throughout the city with tanks, and military men with machine guns. A curfew was in place to try and keep a lid on terrorist activity because that was one of the problems the government was dealing with. I spent a lot of time traveling from Maadi to the embassy downtown—it could take up to one- and one-half hours to get to the embassy and the same time returning to the USAID building in Maadi; almost three hours of travel time per day. There wasn't much we could do with the Egyptian government at the time, and we weren't able to share much information with the staff given the policy review underway. It was a somewhat tense work situation.

With seven hours difference in time between Washington and Cairo it seemed like there was a constant request for information from USAID/W, the NSC or from State department. When I woke up in the morning my blackberry had multiple email requests that needed to be addressed during the day. I participated in several video conferences with the interagency dealing with the policy review. I probably didn't mention that since USAID staff were evacuated from Cairo with minimum notice many had to leave everything in their homes, including animals. Our small staff on the ground in Cairo had to worry about ensuring that all the apartments were well protected and even to take care of animals that may have been left behind. While they had complicated tasks to manage, the executive office staff performed superbly, and I had multiple meetings with the staff to let them know how much we appreciated their work. We brought an experienced executive officer on a short-term basis to help address the many management challenges faced by the USAID operation. John Peevey worked a few miracles during his time in Cairo.

During my busy time at post, we had complicated relationships to manage related to the assistance program. After some important decisions were made by Washington agencies my task was to translate those decisions into allowable actions under the assistance program. One of my more interesting experiences was to accompany the Charge to brief the Deputy Prime Minister on the status of USAID assistance and the legislative restrictions we faced and how we might be able to continue helping the Egyptian people. I had never dealt with anyone at that level before in a country as big as Egypt and as important as Egypt was to U.S. foreign policy. I explained what could be done and what wasn't allowed under U.S. law and followed up the meeting with a letter to the Deputy Prime Minister that explained how we would be able to work. We wouldn't be able to

provide government to government assistance and that translated into changes in the type of assistance that was allowed. It was clear that USAID was going to face significant challenges ahead. I met with all the FSN staff and explained where we were with the program and what we were going to be doing. Then it was time for me to return to Washington and Mary Ott return to Cairo the day before I departed, and I briefed her on the state of affairs. Before leaving I helped the embassy put together a unified country team message recommending that the evacuation be concluded.

On November 6 the ordered departure from Cairo was lifted and employees were able to return to post. I believe that Congress included provisions in the omnibus bill for the FY 2014 budget that allowed the USG to resume its full \$1.6 billion aid package to Egypt under certain conditions. USAID Cairo then reached out to me concerning possible consultant assistance to the mission as they were doing a competitive procurement for the service, and I agreed to participate. I was selected to be a senior advisor to USAID, and I would help the mission address the many implementation challenges facing the program and the issues that affected the bilateral relationship with the GOE. I agreed to work on a personal services contract to provide four to five months of services over an eleven-month period. From 2014 to 2015 period I provided assistance over four separate visits to work on a number of interesting issues such as what would be required if a wind down plan had to be implemented; to establish goals for implementation of many projects and conduct implementation reviews; and to develop more effective plans for obligating and expending program resources, while putting into place a more effective monitoring process. In addition to these tasks, I was asked to look at what a regional service center might look like in support of Egypt and other Middle East missions operating in security challenged countries. At the end of this contract the mission had several deliverables that facilitated improved financial management of the portfolio, including obligation plans and implementation outcomes, and the foundation for Washington to consider establishment of a regional service center for the missions in the Middle East. The best place to establish the center was in Frankfurt, Germany. By early 2015 I felt that it was really time to retire. I had enough of USAID's personnel bureaucracy.

Part of the problem I encountered with USAID was the civil service appointment process. The short-term appointments system called STAR used available civil service positions and so the employee had to deal with civil service staff in personnel. I had seven short term USDH assignments over a six-year period and every time I went through the same drill; a bureau requested assistance; I agreed (except for my work with EGAT) and I was asked to fill out the same documents as if I had never worked for USAID. Perhaps it was the system that staff had to work for but despite my negative feedback on the process, it was like the film Groundhog Day, the same documents repeatedly and a process that appeared divorced from agency requirements. I hope the agency has improved the process since 2015 but if not, it will scare folks away from helping. The amount of downtime to establish an appointment was not conducive to meeting the management needs of the units that needed assistance. I felt like it was no longer worth fighting with the bureaucracy in personnel and so I dropped out of the short term assistance program.

Q: What was it like when you were on the other side? You were coming in as someone who was no longer part of AID formally. Did that affect the way you were treated, your outlook? How did it affect your perspective having retired and coming in on these assignments?

SILVERMAN: The question about how I was treated is by whom I would ask. Who are you referring to? Treated by...

Q: By people you worked with in the mission when you retired.

SILVERMAN: The bureaucracy in Washington was, in my opinion, close to non-responsive. It was frustrating to move the personnel bureaucracy to establish a short term USDH appointment and that was not just my view but the view of the employing bureau. When I worked on short term appointments in Washington it was frustrating to end an appointment as I needed to receive approvals from a wide range of offices within USAID and even at the State department. I would spend several days at the end of the appointment chasing down individuals who had to provide me with the OK to leave. I believe a lot of time was wasted. Surely in the 21st century the agency could maintain a more responsive system. With regard to the folks I worked with I had no problems whatsoever.

Q: OK.

SILVERMAN: Obviously they were aware of who I was and my experience. If they had issues, they never really expressed them. I found a welcoming environment with the bureau or mission and when I showed up it was because they needed help, and they knew it and so they were happy to have me. I felt the issues were foundational within the USAID personnel bureaucracy. Many civil service staff didn't understand how USAID functioned outside of their own processes. When missions were saying we needed him/me to arrive at post no later than X date, and the personnel system had the appointment moving slowly through a process that seemed geared to someone new to USAID, then something was wrong and in my view needed correction. This was a frustration perceived by the bureau and the missions who requested the assistance. What was the second question?

Q: The fact that you were no longer with AID, did this affect in any way how you approached things? How you took decisions?

SILVERMAN: I was happy that I didn't have the burden of dealing with some of the internal issues of USAID. I didn't have to worry about the longer term although I was sensitive to the effect of anything I did that could affect different operations. As an Acting Director I had the management responsibilities to work closely with the ambassador and the country team and interact with the host country counterparts. I was also the shock absorber between mission staff and Washington. In the Panama assignment I found myself on the embassy/State team dealing with USAID staff who apparently didn't understand how to work with State department officials to address

foreign policy challenges. But a lot of the niff naff that goes on working in USAID was not required from me. Therefore, I was pleased that it was lifted from my shoulders. I didn't have to write performance reports and that process where we spent a great deal of time and effort, and I was not sure whether the inputs really generated the expected outcomes. So yes, I think I would describe it as uplifting in some ways and I knew that when the short-term assignment was finished it was finished and I would then move on to what I wanted to do. Although I did receive additional requests to help USAID in Beirut and Ukraine, I didn't have the interest in working in more hotspots and dealing with USAID's bureaucracy and so I said thank you for the interest, but I am not available. After a while the phone and emails stopped coming and that was fine with me.

Since then, I have served in volunteer positions. When we moved to Gainesville in 2016, I followed the various volunteer roles available in the community and in 2017 ran for a position as a board director. I spent six- and one-half years on the board and my USAID experience came in handy. We had an \$11 million operational budget and when we launched some major upgrades to our facilities, I found the need to develop requests for proposals and help manage a rather large operation. So, some of the skills I developed in USAID came in handy post USAID. I had an interesting experience, and I hope there was value to the community, but the role was becoming more like a job and I decided to step down last year.

I joined the USAID Alumni Organization, and I have volunteered for their excellent mentoring program. Last year I mentored a mission director in Asia, and it was a wonderful experience. The feedback I received from my mentee was super positive and I enjoyed the opportunity to share some of my knowledge and experience and learned a bit about what was happening in the field. I am awaiting the selection of another director to mentor in the new year.

I wanted to talk for a bit about what I think about USAID as an organization such as the strengths and weaknesses. I believe the organization thought strategically while implementing programs to address real problems. This was a different role than the state department. I am thinking in terms of USAID missions because missions are really what make a difference between just thinking about what to do and getting things done to help people. I have found over the years that many colleagues on the country teams in countries where I served did not understand what USAID did. In part that is a problem of USAID not communicating well and not explaining the relationship between development as part of our national security and how it supports our foreign policy. So, there may be a conflict between those who say a lot of things and those who are trying to make a difference in peoples' lives.

When I was acting DCM in San Salvador, I was exposed to a lot of the work that my state department colleagues were involved in and I had to manage their processes. Colleagues focused a lot of time writing cables, reporting on the economy, reporting on the political situation, reporting on reports that are requested by Congress. And so, in many ways, it is the writing skill and the reporting capacity of an embassy that gets noticed in Washington. USAID officers are always thinking about what they can get done, how to

improve the lives of people, and how to design interventions that make a difference. Those two things can run in parallel, but they oftentimes come in conflict. Well, let's put it this way. State department officers are valued by their writing, reporting, ability to brief foreign dignitaries, and they are rarely results based, and they sometimes don't have a lot of respect for others in the embassy community.

When you are in a management position in a mission you find the conflict that can occur between State department and USAID in how the foreign service national community is supported, managed, developed and funded. If you may remember from your time, there is a built in tension with the roles and responsibilities of foreign service nationals between agencies. In my view USAID had more capable and experienced FSN staff who often assume management responsibilities. Many staff managed programs involving a substantial amount of U.S. government resources. The State department operated with classified and unclassified sections and FSNs couldn't work on the classified side. The embassy's FSN staff were often support oriented and their positions were classified at lower levels. The tension among members of the foreign service national community was obvious where the system might go up to an FSN-12 but you rarely would find an FSN-12 in the embassy. Senior USAID FSNs could be FSN-12s and we even had an FSN 13 that was a special category for senior officers. This tension was real and affected the way we did business.

We had a few FSN-13s in missions because of their extraordinary high level of responsibilities and substantive roles in the missions. Let me again give you an example of a USAID FSN that demonstrates the difference. When I arrived in El Salvador I had to consider how we were going to manage our comprehensive response with existing staff. There was an FSN who had demonstrated extraordinary ability to obtain results in her work and her willingness to lead the effort was obvious in the way people viewed her role in the mission. Me and my deputy jointly decided she was a tremendous asset to the mission, and she was the right person to lead the disaster reconstruction effort. But how would this work in the mission when there were USDHs who argued that given the large budget and need for interagency coordination that the position should be for a USDH? I believed our FSN was the right person for the job and even though some officers were unhappy with that decision we implemented it and she performed flawlessly. I doubt that this type of action would be possible for a State department FSN.

As I said USAID thinks strategically but has a results focus, and that value is important to ambassadors and their ability to demonstrate the value of bilateral relationships. If we put USAID programs in the context of our foreign policy objectives in a country, we can make the strategic argument of how important the programs can be to our foreign policy objectives. They provide another dimension to the U.S. relationship to the country. In smaller missions that becomes even more important. Obviously, the relationship the USG had in Egypt over the last fifty years has been one of a cultural, economic and a defense partnership. Without question the Egyptian government and the Egyptian people appreciated how the USG and I would argue USAID helped them in their quest for development.

At the same time when you are in a country like Panama when the role the US plays in our relationship with the Panamanians is relatively small but if you focused on the problems that Panamanians perceived then the value of a targeted assistance program was higher, and I think that is one of the things that USAID does well. Its staff are trained to understand that you don't have to have a lot of money to make a difference. You must have a good relationship. You must be able to interact with the right people and you must know that you must learn how to influence. One of the things I tried to do throughout my career was to see how I could help influence outcomes. And obviously the position that you are in has a lot to do with whether you have that potential. But I found that if you can convince people about the value of what you are working on you can have influence. At the same time if you don't communicate well, if you don't articulate the value added that your assistance program provides, then you are not going to have an ambassador willing to go to bat for you and your programs and that is something I learned over the course of my career that I reflect upon today. Individuals can influence beyond their specific set of tasks.

I want to mention a couple of things that I thought were unique during my time in the foreign service. I want to be careful of what I say here because they are somewhat controversial.

Anyone who has been following the press has seen the admitted guilt of Ambassador Manuel Rocha who worked with Cuban intelligence over many years. Rocha held senior positions on the national security council, and I believe was Ambassador to Venezuela and Bolivia. He recently admitted his guilt probably in a plea deal and this was a great embarrassment to the U.S. government. On a smaller scale when I joined USAID in 1976, one of the young officers in our IDI group was a fellow by the name of Edward Howard. He was, as I remember him, a nice chap from Chicago. He got his MBA at American University in Washington. He went to Lima as his first post, and I believe he left USAID soon after that. Then he apparently went to work for the CIA. The last time I saw his name in print was about his defection to the Soviet Union. He went through counterintelligence training but apparently, he ran into some difficulties in the CIA and was fired for lying on his polygraph. I suppose he was unhappy about all of that because he was trained to go to Moscow and he reached out to the Soviets, or they reached out to him; I am not sure which and as he had the names of agents in Moscow appeared to have shared that information with Russia. To make a long story short he was chased by the FBI, and he used his counterintelligence training to avoid arrest and made it to Moscow via Austria and then he defected. In 1984-1985 he was made a Soviet citizen, and the Russians gave him a dacha. Then he mysteriously died one day in his home, and it was reported that he had fallen downstairs and had broken his neck. There is a long story that has been written about whether that was a message the Soviets sent; I don't know. The connection was that an IDI in my class who I trained with in Washington and in Lynchburg, Virginia, defected to the Soviet Union and caused significant damage to our covert operations abroad.

The second individual I worked with closely in Nicaragua where we faced some challenging political issues in restarting USAID assistance. As I mentioned earlier the

Sandinistas forced a lot of people out of Nicaragua and then took over their businesses and their homes and then made them available to people in the Sandinista leadership and it was extremely difficult to trace how the ownership moved from one individual to another. The question of ownership and American citizens' demands were central challenges that affected our operation. Our attorney was a very important part of the mission team who helped us address these legal issues and others. Between the U.S. legal framework and the problems with Congressional oversight USAID worked transparently to ensure that we only signed contracts with legal owners of properties, including the owners of the building we planned to purchase. Every lease for every house to support our staff was checked carefully. Our legal advisor was a young woman by the name of Martha Velasquez. She was from Puerto Rico, and she had worked for the Department of Transportation before USAID and was incredibly hard working in support of USAID's program. Martha left Nicaragua and then went on to work with USAID's regional trade program in Guatemala. She then took a leave of absence to marry a Swedish diplomat. I mentioned Manuel Rocha earlier and there was a connection with a Puerto Rican who worked for the Defense Intelligence Agency by the name of Anna Montez who was arrested for having worked for Cuban intelligence. Montez was sentenced to twenty or twenty-five years in prison and once she was arrested Martha Velasquez disappeared. So, to make another long story short it appeared that Martha Velasquez was also working for Cuban intelligence. When her indictment was released years later, I couldn't believe my eyes. I learned that there were people capable of hiding secrets from everyone. The legal advisor is the one staff member who you had to have absolute trust and confidence in. We found out later that this person had been working for Cuban intelligence for many years, who clearly deceived us and who was potentially involved with the recruitment of Anna Montez.

Once she was indicted, she fled to Sweden with her husband and Sweden will not consider returning her to the United States. I don't know what else to say about it; I just note that there were two very different instances of people I thought I knew but they went to our dark side. Obviously, it shows that as much as you think you know about people you work with, it's possible that you know very little about them!

Q: It does make you wonder, Mark. You are the first person who has shared this, But it does make you wonder when people meet you and say Oh you work for USAID. There has to be a lot of CIA and other people operating there and you say I don't think so.

SILVERMAN: There are laws that prohibit association between the Agency and USAID but in the two above cases the individuals turned out to be dishonest and worked against U.S. interests.

Marcy, I have one concluding comment. After I retired from the foreign service USAID approved my selection for the USAID Administrators Award for Distinguished Career Service. It was an honor to receive this award from Administrator Fore at the agency's award ceremony. I have appreciated the many opportunities USAID provided me. I had an exceptional career, and I am indebted to the people who mentored me along the way. The experience for me and my family was truly memorable. Our children had the

opportunity to grow up overseas, to learn other languages and experience other cultures. My wife taught English as a foreign language in several posts and received her graduate degree from American University in Cairo. My children have grown into responsible adults who are making their own contributions.

The Administrator's Award stated: "For his outstanding dedication and distinguished service over more than 30 years and for which his outstanding leadership in Afghanistan, Egypt, Peru, Nicaragua, El Salvador, and Washington D.C. improved the lives of desperately poor people while simultaneously refining, refocusing and improving overall management of foreign assistance programs to advance U.S. foreign policy objectives."

I believe that USAID provided me opportunities to do big things that I couldn't do in any other organization. I was grateful to have been given the opportunity to serve.

Being appreciated by my colleagues and the leadership of USAID was very special. With that note I believe I have finished my commentary.

Q: Well, thank you Mark, this has been a remarkable experience for me having only known a little bit about you and learning so much. You really have had an extraordinary career. I thank you very much for your observations and your thoughtfulness and thanks again Mark.

SILVERMAN: I liked working with your husband Eric during some of the more challenging times in my career. He was a source for calm and good explanations when issues came about, and he was very helpful in coaching me. I believe he did the best that he could, and he was a great asset to USAID and to the American people.

Q: Of that I am sure, and it is hard to believe that he left us almost 27 years ago. Well thanks again Mark and I look forward to seeing you again in the future.

SILVERMAN: Thank you, Marcy.

End of interview