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KIERTISAK TOH

*Interviewed by: Carol Peasley
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INTERVIEW

Q: This is Carol Peasley and today is February 9, 2018, and we are interviewing Kiert Toh. And this interview is being done in person.

So, first of all, Kiert, thanks very much for agreeing to participate in the oral history program. I'm very pleased to add your story to the collection. And if we could start out with just some of your early background, where you were born, your family background, give a little context to who you are and then we'll have more questions as we go on from that.

TOH: Thanks, Carol. It's an honor to be part of the project that you are doing.

I was born in Bangkok, Thailand. My parents migrated from China to Thailand in the 1930s during the Great Revolution. I grew up in Bangkok. I didn't know what to do after high school so I ended up working for USAID in Bangkok. At the time it was called USOM (United States Operations Mission). And that's how I was exposed to the Americans.

Q: Where did you go to high school? Was it a public Thai high school or was it a private one? Anything special about it?

TOH: I went to a private elementary Catholic school. I ended up in a very good high school with an emphasis on commerce; it's called Assumption Commercial College. During the last three years, everything was taught in English. All the textbooks were in English. So, I learned more about the geography and history of Europe than the history of Thailand because of the textbooks and that's how the Catholic brothers taught us.

Q: Was it a Jesuit school?

TOH: No, it's a French order, St. Gabriel. And actually, because of my reasonably decent English and good typing skill, I got the job at USOM. I was hired as a clerk working in what was called the USOM/Vietnam housing program that was based in Bangkok as part of the safe-haven arrangement for Americans who worked in Vietnam.

Q: That is for spouses that were living in Bangkok while their (mostly) husbands worked in Vietnam?

TOH: Right. I was an assistant housing Foreign Service National employee, mostly doing the typing, the legwork, taking care of dependents of Americans working in Vietnam.

Q: And when was this that you were hired by USOM?

TOH: 1967.

Q: So, that was really the height of the Vietnam War.

TOH: Yes. And USOM had a big housing program, I think about 200 families. So, it kept us in the office very busy. There were only four FSNs: a Thai supervisor, a secretary, a driver, and myself. We had an American supervisor, assistant GSO (General Services Officer) in charge of the program, a very nice, young American – his first overseas posting in the Foreign Service. I learned a lot from him about Americans and the U.S. I was exposed to the American Thanksgiving and its history for the first time because he and his wife invited all the housing staff to join his family for the celebration. He explained to us the history of the American Thanksgiving.

Q: This was the assistant GSO in USOM?

TOH: He was assistant GSO- well, he was on- I guess at the time it's called OJT. USAID has some kind of management training-

Q: Okay, management training. I think that was the precursor to the International Development Intern, the IDI program?

TOH: Yes.

Q: Okay.

TOH: And the interesting thing was his boss, the GSO was Ed Perkins. Do you remember Ed Perkins?

Q: Oh, yes. He became ambassador to South Africa.

TOH: He was there. I think all the Thais really liked Perkins.

Q: He was the GSO at USOM?

TOH: At USOM. He oversaw, I think, transportation, shipping and customs, housing, warehouse, and then under him would be all the assistant GSOs. Perkins was a good boss, very collegial, friendly and had a good sense of humor. He liked to practice his Thai on us. Sometimes we had good laughs of his Thai because Thai language is tonal. You didn't get a sense that we FSNs (Foreign Service National) are "second-class" – and this seems to be a good experience that stayed with me throughout my USAID career. Of course, there are limitations and regulations that govern FSNs and American Foreign Service officers, direct hires

Q: So, you weren't involved on the program side at all?

TOH: No, not on the program side. I was on the administrative support side dealing mostly with landlords, helping negotiating leases, repairs and maintenance.

Q: But you were dealing only with the spouses of USAID-Vietnam employees? Or also the USAID-Thailand staff housing?

TOH: We were not really dealing with the Thai housing office. But we had interactions with Americans in the Thai program and especially American employees assigned to Vietnam when they came to visit their families. In these interactions, often Thai socioeconomic and cultural topics came up. I was not very good at that. During my middle and high school years in Catholic schools, at the time we did not follow the regular curricula approved by the Thai government. We didn't learn much about Thai history, literature, or culture – social studies. The Thai government would not award high school diploma to those of us who went to schools that didn't follow the regular, approved curricula. So, if these students wanted to go to universities, they had to take a national exam to get a high school diploma. With a high school diploma one can take the national entrance exam to go to university. My inadequacy began to make me think about pursuing university education. I took some crash courses in Thai history, language, and literature. I passed the national exam to obtain my high school diploma. I followed that with application to university.

Q: University in Thailand?

TOH: Yes, Thai university.

Q: Which university did you apply to?

TOH: I was admitted to Thammasat University after passing the national entrance exam. In Thailand, first you take a university entrance exam, a nation-wide exam. As part of taking the exam, one also select the universities in rank order that one would like to be considered. Thammasat and Chulalongkorn were the top choices for most and they were mine too.

It turned out that trying to get into the university was more challenging. I did not stay long at Thammasat. I left the university after the first term. I just dropped out. I was bored and found it not quite what I expected – I think partly because after working all day and had to sit in big lecture halls in the evening classes did not appeal to me. Looking back, I think that was a good decision for me. It made me ask myself why I wanted to go to college. In Thailand at the time (1960s) there were probably fewer than six or seven universities and all of them were public. I started to think about study abroad.

So, with the encouragement from my American bosses who kept telling me about how Americans supported themselves to go to college. They kept telling me: you would find a job, you could - if you didn't mind about any job and you could support yourself going to college. I finally took up their advice and applied with some help from a friend in Washington, DC. He helped me apply and get a student visa from some "questionable, for-profit college," in hindsight. You send the college the money and a few other documents and they send you the visa. The great American unfettered, free market system. And I didn't know anything; I said to myself: oh, it's a college, let me find out. So, I left Thailand after saving some money, enough to come back if things did not work out.

Q: Okay. So, you had enough savings to return.

TOH: Yes.

Q: And when was this that you-

TOH: 1968.

Q: '68. So, you worked for AID for-

TOH: About a year-and-a-half.

Q: -as an FSN?

TOH: Yes, not quite two years.

Q: Before we leave that, just a question because you had mentioned that your parents had been immigrants to Thailand from China, and I know that there were various times the Chinese in Thailand faced many challenges.

TOH: Yes.

Q: Was that a reason to work for USAID? I mean, that you felt that there would be discrimination as being a Thai-Chinese or was that a factor at all? Or just-

TOH: No.

Q: -no, it wasn't, okay.

TOH: It was not a factor; it was just, I need a job.

Q: Okay.

TOH: And USAID gave me a job because- and it was a good paying job, relatively speaking when you just got out of high school.

Q: Okay. And you really didn't know anything about USAID or USOM?

TOH: None.

Q: No.

TOH: It was hard to learn about what USOM was doing. When I got into USOM and USAID in Vietnam. All I learned was all these public safety or rural development officers in Vietnam, which turned out to be something else.

Q: Right, right, okay. So, you didn't learn about the good work up in the countryside.

TOH: Before we left this topic, there is one point that I thought- that really stays with me to these days and my deep appreciation to my American bosses in USOM. When I left Bangkok, I probably had about \$800 in cash – enough to pay for a ticket back at the time. I submitted my letter of resignation and was told by my American bosses that they would hold it for three to four months. They told me that if I decided that I could not live in the U.S. and had to come back, they would give me a job. So, that was my safety net. Imagine private businesses would do that for a lowly FSN, employee that could be replaced easily.

Q: So, you got on the plane, you have \$800, you end up in Washington, DC, at a college that none of us have ever heard of. Was there really a college there?

TOH: That was an amazing thing. I went to try to register, yes, there was a building, it was dark, it was old, and it was just one of the buildings in Washington, DC, Northwest not too far from the old Chinatown. I said to myself, this was not a college. I was naïve, I had in mind something like a campus, like Thammasat or my high school. I told my friend, I was not going to pay the tuition to enroll here. I cut the loss. I now had a problem. I need a visa to stay. Luckily, I must have some *karma* and the Angel was on

my side, I met a friend who went to the same high school I did. He suggested that I move to Maryland and enroll in a community college. So, I moved to Takoma Park, Maryland, enrolled in Montgomery Community College, and two weeks later I got a job at, you remember, Hot Shoppes?

Q: Yes, I do, Hot Shoppes, yes. That was the beginning of Marriott, right?

TOH: Yes. And I lived with some Thai students in a house in Takoma Park not too far from the community college. There were first four of us, then six of us. So, the rent was not too bad.

Q: Did any of you know how to cook?

TOH: I learned. I hated doing dishes. That gave me the incentives to improve my cooking. Then I got a job at the Hot Shoppes in Langley Park; it was near University of Maryland, College Park, and then I started going to community college. I met Pam at Hot Shoppes where she waited tables. I was promoted in a few months.

Q: You were promoted, good.

TOH: From being in the kitchen to waiting tables.

Q: Very good.

TOH: Pam was going to University of Maryland. So, eventually I transferred from Montgomery College to University of Maryland. My experience at University of Maryland was so different from Thammasat. I enjoyed the challenge of learning and discovery. I got interested in the U.S. government and the Vietnam war protest. When we graduated we decided to get married.

Q: When did you get married then?

TOH: 1971.

Q: He's looking around for verification.

TOH: Actually, we got married on your birthday.

Q: Oh, really? June 9?

TOH: June 9. That's why it's very easy to remember June 9.

Q: Very good. I'll remember now your anniversary. So, Pam gets credit for you going to University of Maryland.

TOH: Right.

Q: It's actually a fascinating story of the perseverance of an immigrant. I mean, it's really kind of mind boggling in a way, to arrive in a country, find out your plan is not going to work the way you thought it was going to work and come up with an alternative.

TOH: And it was shocking when I looked back. I said to myself how could one call this a college?

Q: No, that's amazing. Well. Hopefully you now own Marriott stocks since you owe so much to the Hot Shoppes.

TOH: No, unfortunately.

Q: So, you were at the University of Maryland and you were majoring in economics?

TOH: Well it's kind of a- and maybe this is a pattern, too. I didn't have a plan.

Q: I see.

TOH: People tell you, you go to college, you have this career path and plan; I don't. My father kept insisting that I came home as soon as I graduated. I look around, I said oh, major in business is easy because when I was in high school I was good at economics, accounting, and commerce. So, initially I was thinking of majoring in accounting because it's easy to get a job. I had 15 or 18 credit hours of accounting when I finally decided I didn't want to be an accountant. I was reasonably good at math. So, I began to think about a math major. My father didn't like the idea; what are you going to do with a math major? Then I found out that - after differential calculus, and further up into more advanced courses, I had difficulties. Mathematics was then out as a major. At the same time, I'd been taking economics classes beyond principles courses. I had this great professor from Harvard - probably, a third of the economics faculty at Maryland at the time came from Harvard, another third from Princeton, Chicago, California (Berkeley), and Stanford. It was really a great department. And the fact that it is close to D.C. created a great learning environment for economics, politics, current affairs, and public policy. Anyway, this economics professor is a wonderful professor. After taking a class with him in international economics, I kind of followed him and paid attention to what he was teaching next. I enrolled in his course on economics of poverty and discrimination. I really enjoyed it and decided to change my major to economics. And this time it worked.

Q: Was that course focused on international or U.S. or-

TOH: It was U.S. mostly. But this professor, did his dissertation on development in Peru. So, he has a lot of experience in Latin America. Later, this same professor convinced me to apply to graduate school at University of Maryland. I followed his advice.

Q: Right. And so, then you stayed on and ended up going on for a PhD?

TOH: Yes.

Q: And you did that straight through?

TOH: Straight through.

Q: And you were working, you were TA (Teaching Assistant) and teaching and all that?

After a couple of years at Maryland they offered me this nice- they call it a fellowship - I spent one summer in Annapolis helping a professor with developing a model for the Environmental Protection for the state of Maryland and the professor needed some graduate students to do some data collection, creating the model. There were four of us, graduate students working with him at the State of Maryland in Annapolis. During this time, I applied to the State of Maryland for some assistance and was awarded a grant of \$10,000 that I could use at Maryland - either for teaching as an instructor, a step above TA, or use it to help professors in research. I chose the teaching option.

Q: That's the best way to learn, actually, isn't it?

TOH: Yes. And I learned a lot by teaching, by putting yourself in the students' shoes. The fellowship grant from the State of Maryland opened opportunities for me. After the grant which lasted only one year, the economics department decided to continue funding me out of its own budget. I continued to teach until I finished my dissertation.

Q: Okay. So, you'd sort of finished your course work but you were doing your dissertation and research and all of that while you were teaching?

TOH: Yes. So, I spent about- well, I'm a slow learner; it took me a long time to finish my dissertation. Again, it's because of lack of planning. I kept changing topics. I was interested in one of these British professors from, I think, Oxford or Cambridge; he came to Maryland and was department chair. And I was fascinated by some of his lectures and published work. So, I went-

Q: Do you remember who made the visit?

TOH: Robin Marris. I asked him to be my advisor. He said yes. But after a year or two he was gone so I was stuck. My topic, my proposal would not work. I had to approach other professors. I ended up approaching the professor who first taught me international economics and got me interested in economics. He agreed to be my advisor on one condition. He told me I had to give him a couple of chapters of what my dissertation would be about. I wrote about two chapters initially and I gave them to him. And before he decided I submitted another chapter. He approved the topic.

Q: And what was the topic? Briefly tell me what the topic was.

TOH: The topic was about intra-industry trade in the U.S. manufacturing sector. It was an interesting topic at the time as international economic integration (especially in Western Europe and the US-Canadian free trade arrangement) and trade liberalization among advanced industrial economies got a lot of interests among trade economists. My advisor liked it except he said well, you need some data to make it an empirical study, not just theoretical or anecdotal evidence. As I struggled with trying to finish the dissertation, I began to apply for jobs. By this time, I already had the Master's because at Maryland you could be awarded a Master's if you could not finish the PhD program provided you met the requirements of course work and passed a comprehensive theory exam. One could pass the comprehensive exam either at a Master's level or at a PhD level; but to continue in the PhD program one had to pass at the PhD level.

Q: So, they give you the Master's.

TOH: Yes.

Q: Right, right.

TOH: So, I started to apply for jobs. There were in fact quite many opportunities in the Washington, D.C. area. One of the places I had applied was the U.S. Federal Trade Commission. I didn't get the job but the interview was very interesting. I was asked to describe my dissertation work. And after the interview one of the members of the panel came to me and said to me that the data I needed, they had it.

Q: Alright.

TOH: I followed him to his office and he gave me a hard copy of the data. I thanked him profusely. I didn't get the job; but I got the dataset I needed.

Q: But you got the data to finish your dissertation.

TOH: That's how I finished my dissertation.

Q: No, that's a great story. Wow.

TOH: Then during the last year-and-a-half, when I had to try to get my last four chapters written when one evening I was pacing the hall of the economics department, somewhat despondent, somewhat depressed. It was late in the evening. I saw on the bulletin board an USAID announcement of recruitment for its young professional program, International Development Intern (IDI) program. I applied for the job. They invited me for the interview and I was offered to join the IDI program, subject to security clearance – supposedly to go to Cameroon as an IDI program economist.

Q: And this would have been late 1979, early 1980?

TOH: It was '79. Because of the clearance process, the offer came in early 1980.

Q: Yes, right, the security clearance took some time.

TOH: Especially, if you are foreign born. So, that's how I ended up with USAID.

Q: And when did you actually join AID then? Was it 1980 but what month?

TOH: May.

Q: May of 1980.

TOH: May 4 or May 1?

Q: May 4, okay. So, okay, and then during the summer you did your oral defense and earned the degree in December.

TOH: Yes, I got my degree in December 1980.

Q: So, when you were hired you said you were hired initially to go to Cameroon?

TOH: Yes, I think that was- they thought.

Q: So, but- so you started as an IDI and you did all the training that you do in Washington?

TOH: Yes, assignment rotations and all that stuff.

Q: And all of that and mostly in the Africa Bureau, then?

TOH: No. There was one rotation to PPC (Bureau for Policy and Program Coordination) in the evaluation section. I was given some project on summarizing all the evaluations USAID had done and then I would rotate to the Africa Bureau in the program office.

Q: Right. So, how long did you stay in Washington then? When did the Cameroon assignment get changed because you ended up going to Liberia.

TOH: Liberia, yes. It got changed, I am not sure but I think, because it took too long before I came on board.

Q: Oh, so they had to fill the Cameroon job early.

TOH: I think so.

Q: So, when did you find out it would be Liberia?

TOH: Because I met all the language requirements. And I think the Liberia Mission Director was in town and might have lobbied the Africa Bureau for additional staff positions. They agreed to take me as an IDI program economist.

Q: So, when did you actually go to Liberia?

TOH: It was January '81.

Q: Was this the period- was Sergeant Doe still in charge then?

TOH: Yes.

Q: Sergeant Doe and- So, it was a big- pretty big AID mission and pretty big program.

TOH: And it was not long after the coup.

Q: So, right after Doe had taken over.

TOH: So, we were building up and a lot of ESF (Economic Support Fund) money at the time. I was involved as part of my training in project assessment and design.

Q: That's the Project Development office.

TOH: Right. The head of the office was smart. He told the Mission Director: we had this PhD economist; why didn't I just steal him from the program office? So, I ended up spending a lot of time in PDO. The office led the analysis and project design of a big primary health care project. In fact, I learned a lot as part of the design team.

Q: Yes, project design's the best way to learn.

TOH: Yes. And I enjoyed it. The Head of the PDO was smart and knowledgeable. He valued logical/critical, economic/financial analysis, the importance of economic and financial sustainability of the project. He was the one who trained me to learn the ropes about working in the field mission. He was very hands-off, gave me a lot of responsibility. I considered him my early mentor.

We had a consulting team out there comprising a medical doctor and public health people. I thought I did some good economic analysis to underpin the suggestion to modify the design of the project – mainly to scale down the project, which was not to the liking of some of the team members – notably, the team leader who was a medical doctor. I did the recurrent cost and cost effectiveness analysis. I showed that the project as designed was not financially and economically viable and sustainable when USAID funding ended. It needed to be scaled down. The team leader, a medical doctor from- I think Tulane University, gave me a lecture about the universally accepted “primary health care pyramid” system and he offered to help me go back to school to earn some credential in health care management since I was not a health economist. He also dropped

me a hint (this was important since I was still an IDI) that what I was suggesting was not what the mission director wanted. It was an interesting lecture and it taught me a lesson of working with different experts in development. So, I told the PDO Chief, my supervisor and asked for advice whether I should continue the approach I used for appraising the financial and economic viability of the project. He told me to write my technical analysis and made sure that he understood the analysis. And he would take it to the mission director. Another lesson of how to work in the mission.

Q: Before you leave the health project because that's really a- so, ultimately the mission director accepted that it was a scaled down project?

TOH: I think it was Washington.

Q: That was the next question because those were the days when projects had to be approved in Washington. And that's the kind of question that Washington would ask and so Washington really validated the issues you raised so that obviously probably had an impact on the mission director, I assume.

TOH: Well, I don't know that. I was just down at the bottom. I think I was just surprised how much money we put in. In per capita terms, it was very high. It raised the issue of the country's absorptive capacity as well. It reminds me of the same situation in South Sudan – when I worked as a short-term consultant in 2010 – before it seceded from Sudan. It is a dilemma. And we are not a good learning organization.

Q: And just a question on this project because it was a project, did it include, since you were doing recurring cost analysis, did it include some budget support, projectized budget support? Do you recall? Just curious.

TOH: It is a project.

Q: No, but it was a project and, okay.

TOH: It's strictly a project.

Q: Okay, that's fine. No reason to remember that. So, it was a tough environment then.

TOH: Yes. But then I was also put in charge of education, was the acting chief of education because I was the only American in the office. I was very uncomfortable because I didn't know what the heck I was doing as the acting chief for education. I am not sure you can call it training. However, the FSN (Foreign Service National) employees and our partners were good. So, I relied on them. It was not structured the way the IDI program planned. I suppose when you are in the field you do whatever you can and make use of experienced FSN staff.

Q: Right. But I think the reality is very few IDIs actually went through the kind of training that they would talk about in Washington.

TOH: I agree.

Q: I think most people were just thrust into jobs and that's how you learned; you learned from doing. But it sounds like in Liberia you had good experience in the project development office with project design on the health project and asking the tough questions and then acting as education officer; a good way to learn about education programs. A good way to learn. Let me just ask a question; since you had been an FSN for 18 months in Thailand, when you went to Liberia did you let the FSNs there know that you had been an FSN?

TOH: No. It just didn't occur to me to share it at the time.

Q: So a lot of learning in Liberia.

TOH: That's right, yes. Eventually, I wrote a letter to the person in charge of assignment in the Africa Bureau for my onward assignment as I was completing my IDI rotation assignment. My next post was Niger by way of Washington to study French.

Q: So, you went back to Washington to- Did you go to FSI for French language?

TOH: Yes. I spent six months there; I had to get a FSI rated three/three (speaking and reading) in French. And FSI is another interesting story. When I showed up there, after I think a week or two, I had this French- I think she must be the head of some group of instructors; she called me in and she said, "you're hopeless." It was very blunt. And she added that I would not get a three/three in French. I was shocked. This was so early. She advised me to ask USAID to assign me to an English-speaking post. So, I asked myself: well that was kind of dumb; I learned English as a second language before; why couldn't I learn French. After some reflection and discussion with Pam, I concluded that the problem was the FSI approach of teaching it phonetically - you were told not to open or look at the book in class. You sat in a small group and repeat, repeat phonetically. I don't learn that way. I have to look at the book, I have to know the structure, how you build a sentence and that's how I learned English. So, I just ignored the instruction. I'm going to learn it the way I learned my English. Slowly, slowly I kind of built up the confidence of the instructor that there was more than a 50 percent chance that I could obtain a three/three in French.

Q: And you got the three/three?

TOH: I got the three/three in exactly 30 weeks.

Q: Because they're very tough. The French language people at FSI are tougher than any-

TOH: And sometimes very caustic. Is that the right word?

Q: Yes.

TOH: She congratulated me, and she said she didn't think I was going to make it.

Q: Actually, I think there's another interesting- When I studied Spanish at FSI there was a Korean-American economist in my class and he had real issues. And I think part of it is that a lot of their methodology is based on using cognates with English and for a non-native English speaker I think that comes differently. And he was as very smart guy but he had a lot of problems with Spanish and I think you need to use different teaching techniques and-

TOH: Or at least keep a range of different- you know, it depends on the individual.

Q: Right, right. And I think it was very challenging.

TOH: Pam did better than I. She graduated four or five weeks before I did.

Q: Did she get a three/three?

TOH: Yes, she got a three/three.

Q: Well, the French priests at that old Catholic high school ended up being happy.

TOH: I could have picked French in that Catholic high school because they gave you a choice, English and French.

Q: You wouldn't have been hired by AID if you'd studied French, so. Well, that's great. So, when did you go off then to Niger?

TOH: I went to Niger around- let's see; September, October-

Q: And you stayed two full tours there, right?

TOH: Actually, Niger is a one-tour post. It's a hardship post. So, I could have just stayed two years but I stayed for four years. I extended the same tour twice – hoping for the right timing to move to Asia.

Q: Yes, yes, you definitely wanted to come to Thailand. For the record we should say that I was in USAID Thailand and you came while on R&R (Rest and Recreation) from Niger and came by the office to see if we had any positions opening up. But we did not.

TOH: Right. As it happened, in late 1983 early 1984 there was a sudden change in leadership at the mission in Niger. We had a new mission director following a sudden departure of the existing mission director. At the same time the mission was busy with the design of a hybrid of project (technical assistance) and non-project (recurrent cost, budget support) sector grant in agriculture as well as developing a new CDSS (Country Development Strategy) document. I was very involved in both. The new mission director

really liked the idea of sector grant and with the upcoming CDSS, he asked me to extend my tour for the sake of continuity.

Staying two more years in Niger in hindsight was very rewarding. The newly arrived mission director (the late Peter Benedict) had a PhD in economic anthropology from Chicago. He came from academia to USAID and he had a great appreciation for analytical work. We complemented each other well. I learned from him anthropology and development. I helped him learn about Niger's macroeconomics, structural adjustment, the IMF and World Bank, public finance – budgeting and external debt in Niger.

But most important, I learned about development management and managing the Embassy, especially with political appointee Ambassador. Together with his deputy they managed the mission very well. The deputy director (Jesse Snyder) and acting mission director was excellent. Jesse held the mission together until Peter got there. The front office was very instrumental in restoring working relationship with the political appointee Ambassador. In the program office, we were encouraged to continue with our work in the agricultural sector grant design and developing the new CDSS. The program officer gave me a lot of independence and responsibility for the analytical work in understanding and supporting of the activities. Together, we convinced the new mission director (and the Embassy) to buy in to what we were doing. We were a great team. I went with Peter to defend our CDSS and the sector grant in Washington. At the time, the Africa Bureau had a very tough DAA (Deputy Assistant Administrator) for Africa. It was Lois Richards?

Q: Lois Richards, yes.

TOH: She chaired the Washington CDSS review. She asked good, insightful and tough questions. Fortunately, the mission was well prepared. The analytical work paid off. In our CDSS we had several annexes: analysis of Niger's macroeconomic situation; analysis of Niger's external debt; assessment of Niger's five-year development plan; and assessment of Niger's agricultural constraints and policy implications. Both the CDSS and sector grant were approved. We got a lot of kudos from Washington.

Q: That's a super mission. I remember when I went in the Africa Bureau in '85 and people were still talking about that as being one of the very innovative, creative programs in the bureau. Can I ask a question about analytic work-

TOH: Yes. Okay.

Q: -before designing a project. There are people who have been critical and said AID spent too much time doing some of this, doing more than was warranted. Then AID went to a period where almost no analysis was done-

TOH: Exactly.

Q: But where are you on that balance between the amount of analytic work and the- that is done? I mean, what do you think are the pros and cons of the different approaches?

TOH: Well, I think it's important to have the analytical underpinnings of what we try to do. It gives you a chance to learn about the problems and discover what has been done before, the history of- because a lot of things we do are not necessarily new. There may be precedents and lessons to learn from what has been done before. Undoubtedly, I believe in the analytical work. The problem is this, I think often economists tend to think of it as research and they don't go one step further. Research is fine, the findings- the analytics, all the steps, but how you translate that into program or policy. Now, if a good program officer or a good PDO (Program Development Officer) or a good mission director or deputy director, if they appreciate analytical work, then they could still support it but make it more relevant. And recognize it in the employee annual performance evaluation. Furthermore, relevance is not just for the USAID program; it's for understanding the country context and to deal with other donors, too. The other problem is often USAID outsources analytical work to consulting firms. I believe in in-house analytical work and in building in-house and local capacity. And that requires supporting certain professionals within the USAID personnel system.

Q: Right. And does that kind of analytic work also help to enhance the dialogue with the host country itself?

TOH: Absolutely, yes. It helped improve the dialogue with other donors and in the case of Niger, especially with the World Bank office and with the IMF. I shared some of Annexes to the CDSS with the Bank in Niamey and with the IMF mission when the team was in town as well as my counterparts in finance, planning ministries, and central bank.

With the sector grant it helped improve policy implementation to meet the purposes in the grant. I believe the mission director used the work to highlight certain issues with his counterpart ministers, permanent secretaries, and directors in the government and among donor representatives in country. Peter also shared our work with the Embassy. And we often turned the work into economic reporting cables. Especially in Niger at the time the Embassy did not have an economic officer.

Q: But the point of the importance of analysis to help make decisions and to justify- And then making sure that the analysis is directed towards making decisions and looking at not just field research.

TOH: You put it better than I.

Q: A couple other questions on Niger -- the role of the economist. You talked about doing most of the economic reporting for the embassy as well? Would that be looking at the annual budget of Niger? What kinds of economic reporting did you do for the embassy?

TOH: Some of the typical issues and whatever the Ambassador or the mission director thought are of interest for Washington to know. Annual budget issues, external debt, debt rescheduling, IMF visit and its assessment. Sometimes, I was asked to read work with

commercial and consulate officers. And sometimes I just initiated on my own certain topics/issues and let appropriate Embassy officers decide whether to report them or not.

Q: And then do a cable?

TOH: Yes. We had a good country team. To the point that the mission director took me out of the program office and assign me to the Front Office.

Q: Okay, as an economist?

TOH: Yes, as an economist and the deputy director (Jess Snyder) became my supervisor.

Q: So, then you spent most of the last two years doing economic work?

TOH: Most of the time, yes, doing whatever Peter and Jesse asked me to do. And I pretty much developed my work program with guidance and approval from them. Following the agricultural sector grant, we developed a healthcare sector grant. I think it was at the time in the Sahel, you may remember the history of it, when the issue of sustainability and recurrent costs, external debt became critical. And one of the issues was about healthcare, how do you finance healthcare. So, we- initially we focus on healthcare financing but then we thought hey, if healthcare financing, we should channel the monies through the budget so it would become a non-project assistance. Peter, Jess, and the program officer thought it was a good idea. I wrote a short think piece laying out the challenges in the sector. At about the same time, there we held several recurrent cost workshops, not only in the health sector. I spent a significant part of my last year working on healthcare financing program and we got it through Washington. I think Lois Richards was still the DAA.

Q: And so, obviously on the sector grants you were doing a lot of dialogue with government and very closely with both ministry of health and ministry of finance and planning.

TOH: And planning, yes. But also with other donors, especially with the World Bank field mission and the French.

Q: All of them, together, which to me is one of the beauties of budget support and non-sector assistance, non-project assistance is because it forces dialogue with governments.

TOH: Yes, and at the time the Government of Niger was an authoritarian government ruled by a military dictator, President Kountché. So, it is possible even in a non-democratic government setting.

Q: Right. During this period, while you were in Niger, there was the big- because I joined the Africa Bureau in '85 and it was at the tail end of the Sahel and across the whole northern Sahel strip and into Sudan, the drought; were you involved at all with the

drought or was that just- and to what extent that affected how the mission was doing its work.

TOH: No, I was not involved directly. The mission had a good office that handled PL-480/food aid and emergency assistance. But we had a big VIP visit.

Q: That was George H.W. Bush, right? Because I understood that Jessie must have been acting director and I always heard the story that Jessie did such a fantastic job briefing President Bush that Jessie suddenly became a hero to the Bush White House.

TOH: Jesse was deputy director at the time. Peter has already arrived. But Jesse was an experienced officer in disaster assistance and he oversaw most of the activity and the visit. Aid administrator, Peter McPherson, came with the Vice President Bush visit.

Q: I know there was a lot of emergency work that I think was done sort of separately through OFDA (Office of U.S. Foreign Disaster Assistance) because when I joined the bureau in '85 we had a round of sort of- they were trying then to integrate the remaining work into the Africa Bureau and I remember chairing some meetings related to sort of drought- final drought relief and drought recovery programs in the bureau but they were more on the recovery side.

One other thing that in that period when you were in Niger, and again, it was right after I joined the Africa Bureau in 1985, was the African Economic Policy Reform Program, where we had \$100 million of ESF (Economic Support Fund) and we went out competitively and asked missions that had policy-based programs to submit proposals. And then Jerry Wolgin and I chaired review meetings and we selected a certain number to go forward with. I don't recall whether Niger submitted a proposal or not and it may not have because this was the time when the CFA was so overvalued that there was reluctance I think to do an economic macro policy reform bill then because the CFA was-

TOH: I don't remember. I don't think we submitted-

Q: Submitted anything. Okay.

TOH: Because we had the- we got the ag. sector grant and-

Q: Right. And then the health sector one.

TOH: And then the health sector, yes. The health sector was also pretty big, I think.

Q: Yes. Right, right. Just one other question before we leave Niger and that was, again, I reflect my prejudices but I think the advantages of staying for a second tour, even in a very tough one-tour post, must have helped in terms of the ability to do policy dialogue, to be able to do the analytic work and all of that. Is that fair to say?

TOH: Oh yes, absolutely, and to practice and improve my French.

Q: And practice your French.

TOH: And by the time I left actually my French was pretty good. And we developed and had such a nice relationship with our Nigerian counterparts and other donors.

Q: It sounds like Niger was just a perfect early post because you got into lots of substance and a real engagement with the host country and really sounds like almost-

TOH: And had the opportunity to observe and learn about development management. I am very grateful to have Peter and Jesse as my bosses and mentors. It was a great mission.

Q: And a great mission with great staff.

TOH: Yes.

Q: Right, right. Started out a little rocky but ended up being fantastic.

Well, anything else on Niger before we move on to- let's see, so you were finishing up in sort of summer of 1986 in Niger? And then looking for your next assignment. And you were probably looking for Asia.

TOH: No. I gave up on going to Asia. I got the assignment to go to Kenya.

Q: You knew you were going to become the economist in Kenya.

TOH: Yes, as program economist there. And Chuck Gladson was the mission director?

Q: Yes, Chuck Gladson, right.

TOH: Right. He was the mission director in Thailand before he went to Kenya. And I learned later from the program officer who commented to me at Post and I paraphrase "Kiart, the reason you got to come to Kenya was because of Chuck, because you are Thai." I don't know whether it's true or not. According to him, Chuck basically told him oh, this guy is Thai – Thai-American, let's have him come here. But by the time I got there Gladson had returned to become the Head of the Africa Bureau, Assistant Administrator for Africa.

Q: That's right, that's someone else who left under less than auspicious circumstances. Hmm. You have a specialty in that, Mr. Toh, Dr. Toh. So, by the time you got to- So, you went as the program economist?

TOH: Right. Regardless, I was happy to get the assignment.

Q: And who was the mission director then, who replaced Chuck Gladson?

TOH: Steve Sinding.

Q: Steve Sinding, right.

TOH: It was supposed to be, I think, Larry Sayers but at the last minute it got changed. Steve initially was slotted to be the deputy.

Q: That's right, that's right, and Steve went out as the mission director. And were you, as program economist were you in the program office or were you again assigned to the front office?

TOH: Unfortunately, in the program office.

Q: Well, why don't you talk- So, this was- you're in Kenya in 1986 to 1989, so at that point was it a pretty good size program in Kenya, was it one of our premiere programs?

TOH: Yes, it was a high profile and one of the largest programs in Africa with big ESF money and CIP, Commodity Import Program. We were in the Cold War era. Kenya was considered our geopolitical and strategic partner in the region.

Q: Oh, there was a Commodity Input Program there. Oh, I didn't realize that.

TOH: And a large- I guess we tried to make the CIP as part of the private sector development program. Kenya at the time had foreign exchange controls which were a barrier to private business to import.

Q: Ah. So, it was a large ESF program. Was that because the U.S. military was using the Port of Mombasa?

TOH: I think so.

Q: Yes, okay, so there was a military link to that. So, a large ESF and that was mostly Commodity Import Program?

TOH: Yes, mostly tied to Commodity Import Program. The foreign exchange part of the CIP program provided the balance-of-payments support and the counterpart local currency served as budget support mostly tied to USAID project.

Q: Private sector development. Was the- would imports tied to any sector or anything or were they just broad- do you recall?

TOH: It was broad until 1989 when we turned part (or most, not sure) of the ESF into targeted support for fertilizer imports.

Q: Well, the importers would have been providing the local currency, right? They would have been buying the- in essence buying the dollars?

TOH: In general, we provided the dollars to the Central Bank. The idea was for the government to make it easier for importers to get import licenses and through Central Bank the foreign exchange to pay for imports. The private sector bought the foreign exchange with the local currency, Kenyan shillings, which was deposited in the special accounts at the Central Bank. The local currency legally belonged to the government. But we agreed to program these funds jointly. A big portion of the local currency went to support USAID projects and other private sector development activities..

Q: Right, okay. So, it really was to liberalize then the whole foreign exchange regime?

TOH: Right.

Q: With the local currency used for private enterprise development, did some of that go into credit programs to the banks, or do you recall? Or some of it budget support to ministries. How would it have been used, do you recall?

TOH: Part of these shillings might have been used to support microenterprise credit and loans to businesses. I remember one of the loans went to an influential Kenyan government official to help finance the Windsor Golf Club. When I went back to Kenya the third time (2001) we tried to clean up the outstanding default loan. I am not sure whether we were able to recover the loan. Our private sector development program, except for the microcredit and the CIP programs, was not well targeted. We kind of followed the “thousand points of light” approach.

Q: Women-owned micro-enterprises, because Kenya had one of the big success stories of microenterprise for women, right? KREP?

TOH: Right, yes. We had a project, I think, that helped KREP, Kenya Rural Enterprise Project. And I still have an account with KREP.

Q: You have an account at KREP? Very good.

TOH: Yes, which I never closed it when I left.

Q: It's like me; I have credit union accounts with FSNs that created credit unions. I had one in Malawi and I had one in Thailand. I had multiple small credit union accounts that I never closed either.

Q: Not every economist or mission director opens an account when they visit a bank. Well, that's good. So, what kind of analytic work were you doing in Kenya during this period as program economist?

TOH: Well, what did I do? At the beginning, it was kind of tough because my inclination and supervisor's inclination (program officer) of how to deal with the government-

Q: Were different.

TOH: -were not aligned very well. We did not agree.

Q: Because the program officer didn't want to work with the government.

TOH: Oh, he was very-

Q: He didn't trust them at all.

TOH: That's right and preferred imposing conditionality— he used to be a program economist himself earlier and pretty much a control freak. I mostly ignored him and started to develop a network of contacts and relationship with government officials and others on my own. I had an excellent FSN economist whom I recruited and worked under my direct supervision. She was professionally competent as good as any American economist and she was wonderful as person. We worked very well together. It was she, not the program officer, who introduced me to some very serious Kenyans both in and outside the government. I also worked with the technical offices, especially with the agricultural economist (the late Al Smith) who later became my program officer in Malawi and Kenya when I was mission director. We also had an excellent HIID (Harvard Institute for International Development) technical assistance team in the finance, planning, and agricultural ministries. I oversaw the TA team. I kept myself busy as well as learning and discovering the country and its various institutions. We had a change in the program office. We had a new program officer I think toward the end of my second year.

Q: Carol Steele came in as the head of the program office. I think you were going to say something else.

TOH: Carol Steele was more relaxed. She didn't see herself as an economist. We began to work more with the agriculture office and with the health office. You may know the person in charge of health; the person in charge of agriculture was Dave Lundberg and health is David Oot.

Q: David Oot, right.

TOH: Yes. And he used to serve in Thailand.

Q: So, two very strong technical officers.

TOH: Yes. With David Oot, we worked on a proposed healthcare financing program.

Q: The project identification document, yes.

TOH: Right. And so, I spent some time studying about healthcare issues in Kenya and I did some work in agriculture, particularly on the fertilizer CIP program.

Q: On the health sector finance, was that- did- so you ended up, there was a health finance program that ended up being designed and approved and put together; was it non-project assistance or was it projectized? Do you recall?

TOH: I left Kenya before it was finally approved. I think maybe s a hybrid.

Q: That's interesting because David was in Thailand when I was there. And he's one of the people that I spent a lot of time talking with and saw the way he did his programming because he always focused on sustainability and how to structure any budget support that was in any of his programs to assure that government funds would be coming in to replace those funds. I mean, he was very attuned to those things as a technical officer.

TOH: I helped David develop a scope of work for the consultant team, particularly for the health economist position. He understood the issues well.

Q: Right. And then on the ag sector side you helped to restructure the ESF Commodity Import Program to be focused on agriculture and fertilizer?

TOH: Yes, and developed some conditionality, some-

Q: Was that fertilizer subsidy reduction or removal or something?

TOH: Yes.

Q: There were a lot of those in Africa, I recall.

TOH: And so, by the time I left we did the agriculture program almost ready to go. We were negotiating with the government on the conditions. And it was very tough because the government, the Kenyan government doesn't want any conditions.

Q: Just one final question then we'll break for a bit. During this period is when you developed the relationships with Kenyan experts that you then drew upon later.

TOH: Oh yes.

Q: I mean, so you had wonderful access to them.

TOH: Right. Slowly, we developed trust and mutual respect. Especially, in the Central Bank's Research Office and in the Ministry of Finance and Planning. I tried to make sure that I knew the details of the macroeconomic stabilization (IMF program) and the World Bank structural adjustment program. The IMF program document tended to be more difficult to access.

Q: But it's obviously a very valuable learning but to learn how to be able to question host country officials and ask the hard questions but do it in a way that doesn't turn them against you; is that part of the lesson? Because it's not just that you never asked hard questions, right?

TOH: Right, it was very interesting and rewarding to have that kind of relationship under a strained and difficult political environment.

Q: Okay. This is Carol Peasley and we're starting up again on February 9, our discussion with Kiert Toh. And Kiert, we were talking about 1989 and you were finishing up your first assignment in Kenya and you were, I believe, heading back to Washington. Is that correct?

TOH: Correct.

Q: And you were going into a supervisory program office economist position in AID Washington. And could you tell us about what bureau you went into and what you were doing?

TOH: I went to Asia Near East Bureau as a program economist.

Q: And this would have been- so, 1989, so this was the end of the- or this was midway through the George H.W. Bush administration? Right?

TOH: Right, yes. So, I came in, worked in the economic section of Asia Bureau, Development Planning. It was an interesting assignment because at the time we were building up the Philippines when- what's the woman's name?

Q: Marcos left and Cory Aquino came in, right?

TOH: Right, right.

Corazon Aquino. She took office in summer of 1986. Anyway. The DP office was quite busy with the Philippines program. I was assigned to backstop the program. So, I ended up focusing most of my time on the Philippines. The nice part of it was I got to go on TDY, twice each time four to six weeks.

Q: Who was the mission director then? Was it Malcolm Butler?

TOH: Yes, Malcolm Butler.

Q: And so, they were expanding, yes, hugely expanding the program, I believe.

TOH: Right.

Q: Were you doing analytic work to support the new designs?

TOH: One of my TDYs I went with a social science person, Monitoring and Evaluation and we tried to develop an environmental program so we developed some program and country performance indicators and made some projections.

Q: So, these were to look at performance of the program and the country?

TOH: Yes.

Q: Okay.

TOH: I wrote a few papers related to the Philippines.

Q: Do you recall the kind of indicators that you all were identifying, just out of curiosity? Do you recall?

TOH: Not really. I think mostly macroeconomic indicators.

Q: No. It's okay if you don't.

TOH: No, we did some of the macroeconomic indicators like GDP (Gross Domestic Product), the rate of growth, budget deficit; some of the very simple stuff. And I think they were trying to develop performance-based budget allocation within AID, how does each country perform, and use it as kind of allocation formula like the Africa Bureau-

Q: Because the Africa Bureau had been doing that with the Development Fund for Africa. Jerry Wolgin used to manage. They looked at two things, country performance and mission portfolio performance and then there was supposed to be some magical formula that Jerry used and it said how much-

TOH: Yes. They were trying to get the mission directors, I remember we did it for the mission director conference -- I think I may still have the paper somewhere -- that tried to -- oh, now I remember what I did. I was trying to look at the country's performance and group them together and see- and take some average and so it's a relative ranking.

Q: Okay. And were you- So, you were focused primarily on the Philippines and how long did you stay in that position? Did you shift to-

TOH: Well, I stayed for about 18 months. There was a reorganization and the new head of the office wanted me to work on Eastern European transitional programs. I didn't want to work on Eastern Europe. At the same time, East Africa office in the Africa Bureau under Dave Lundberg had an interesting idea. He wanted to staff the geographic office with economists to strengthen the office with analytical skills to help support missions in the field in economic analysis and project or program design.

Q: Right, and Dave was the director for East Africa.

TOH: Dave offered me the position in charge of economic analysis in East Africa. And we had a few economists, mostly they were in the civil service. I accepted the offer and left the Asia Near East Bureau early 1991.

Q: That's right. And so, just to put this in context, Eastern Europe, the Berlin Wall comes down, everyone's beginning to focus on democracy breaking out all over the world and Eastern Europe is changing and the Bush Administration makes a bigger deal about supporting democracy promotion and then questions begin to arise in some of the African countries and Kenya was the first of these and the consultative group meeting in 1991 was really a groundbreaking meeting. So, if you can talk us through how that went.

TOH: That's right. I worked from Washington at the time. I was part of the inter-agency working group that developed the Consultative Group position paper for Kenya.

Q: And that's an interagency paper that's coordinated-

TOH: Yes, it's an interagency paper that provided USG position.

Q: And who was arguing what? The State position and the USAID position, can you recall? Because ultimately the bottom line was we froze-

TOH: Non-project assistance - balance of payment and budget support.

Q: Yes.

TOH: There was a broad consensus for not making a pledge at the CG. And in the calculation, there was the first Gulf War -

Q: That was February of '91, I think.

TOH: Yes, when we tried to make Iraq get out of Kuwait. It was decided that the Mombasa base was not as critical to the US for launching the attack as earlier thought. Furthermore, the IMF and the World Bank decided to join the bilateral donors in the suspension of aid.

Q: And was the message, was it a political message, human rights message, a policy reform, an economic policy message or was it all of those? Or what were the issues that were argued that needed to be corrected?

TOH: I think it was a combination. All donors wanted the government to move toward a multi-party, democratic system, concerns about corruption and human rights. The IMF and the World Bank focused on economic reform under their structural adjustment programs

Q: And how much of the position, the final U.S. position statement that was taken at the consultative group meeting in Paris, how much of that was proposed by the field, by the embassy and USAID versus being proposed by headquarters?

TOH: The East Africa office initiated and drafted the paper. The USAID mission at the time did not have an American direct-hire economist only a FSN economist. So, I worked with the Kenya Desk both in the State Department and USAID. We then shared it with the field for feedback and input. I recalled all parties seemed to agree with the proposed position. We did not have any major disagreements. We in the East Africa office and I think the mission as well were pleased that we did not suspend the entire program, which would be very disruptive for projects. It turned out that the (non-project) aid suspension was quite effective. The Moi government quickly moved to allow multi-party democracy. And the first multi-party democratic election in Kenya was held in December 1992.

Q: Right. One other thought on this because I know that that- because that really was the first time that a consultative group meeting was used to lay out the explicit- the freezing and the cutbacks on the IMF and the Bank and the other budget support programs was probably linked to economic, poor performance on the economic reform agenda. It was also understood that some of this was that the concerns about the openness of the political system but the Bank always said that they were non-political actor and they couldn't be making decisions at consultative group meetings based on political dimensions. Do you recall how that was sort of worked out with the Bank? Because it took a couple of years for the Bank to kind of come onboard with some of this and I'm just curious what it was like in that very first one because the Bank must have been a bit taken aback by the amount of political discussion that took place at the consultative group meeting.

TOH: That's a good question. I think the effectiveness from donors' perspectives of the suspension of Kenya's aid had a lot to do with the collective action by bilateral donors and the Fund and the Bank. The Kenyan Government could not play one donor off the other. The Fund knew that their program was not feasible without resources from other donors; the same with the Bank. Also, the Bank representative at the time, Peter Eigen, agreed that corruption was a major issue and he supported the bilateral donors' position.

Q: So, he was the founder of Transparency International-

TOH: Exactly, after he quit the Bank.

Q: -and he had been working on Kenya. Wow.

TOH: Yes, at the time.

Q: So, they, as individuals they were sympathetic. Did the Bank in essence begin to think of corruption as almost a code word for governance weaknesses? The Bank couldn't talk

about those political weaknesses so corruption became almost a proxy for some of the other concerns?

TOH: I think so

Q: Yes, right. Okay, so this was really the first of these- Do you remember who was at that consultative group meeting who led the U.S. delegation? Because it used to be USAID in those days leading it; would it have been Larry Sayers?

TOH: Could be. I think it might have been Dave Lundberg but I could be wrong.

Q: Right. No, that's fine. I was just curious. So, that was obviously a big thing to work on early during that assignment. What other kinds of big issues did you work on when you were in the East Africa Office?

TOH: I made several TDYs to assist mission in looking at certain issues. I went to Uganda to analyze the Uganda's dual exchange rate regime – the official and the black market. I went to Tanzania to help the mission develop a proposal on a policy reform program, I went to Rwanda to do a follow-on program on trade liberalization. I went to Burundi to assist the mission with some economic indicators.

Q: These were the days that were probably the best years, from sort of '89 to '92, '93 when the Development Fund for Africa was really operating the way it was supposed to operate; in a number of these missions did major sector assistance programs during that period. Were you involved on any of them or did the missions have the analytic capacity that they needed to develop them?

TOH: Right. I was usually involved mostly in economic analysis and assisting in developing scope of work as needed.

Q: Well, Rwanda had one of the early AERP, African Economic Policy Reform Programs, and I think it was private sector development, I believe.

TOH: Yes.

Q: Because that's the program that Bonaventure worked on.

TOH: That's right. The first one was in 1987 or 1988 which I was involved from Kenya.

Q: Do you recall, because we were talking earlier about with the Development Fund for Africa that there would be sort of annual performance reviews of each country and I believe those reviews were managed by either the Office of Project Development or perhaps the geographic offices. Do you have any memory of those reviews and the degree to which you thought they were valuable or not valuable in the efforts to track progress against indicators? And just if you have any memories of those.

TOH: I don't remember being involved directly.

Q: So, you were an extension of the missions in Washington?

TOH: That's a good way to put it. I think that was Dave's vision.

Q: Yes, it does. I'm actually looking back at your CV and there's something that- also in Washington that we didn't talk about that if we can move away from the Africa Bureau for a moment but when you were in the Asia Near East and that was that you did an economic assessment of the USAID program in Thailand and I'm just curious, that must have been a very interesting thing to do and were there any surprises and did you find it satisfying?

TOH: Okay. In addition to all the TDYs to East Africa I had while in the Africa Bureau-

Q: Oh, you were in the Africa Bureau when you did this. Okay, good.

TOH: I think the head of evaluation in PPC, who was the mission director earlier in Thailand, Erikson?

Q: Yes, John Erikson.

TOH: His office was doing a- I forgot what they call- a country study on how USAID helped mobilize investment, private sector investment. So, they chose three countries to do a comparative study: Thailand, the Philippines, and Indonesia. I was asked to be part of a three-person team for Thailand.

Q: In Bangkok?

TOH: Going to Bangkok. And what we did was interesting; we did a survey and we interviewed businesspeople. We tried to assess what kind of investment services were important to them. I went to some industries and talked to factory owners. At the time the Thais were concerned about a part of the U.S. Trade Bill (Section 301, I think) that linked child labor practices and human rights to trade. We had a hard time getting people to talk to us and I used my Thai to my benefit, being able to converse and talk in Thai with these factory owners helped build some trust that our interest was not about labor practices and human rights. So, I could collect some survey data in the textiles and shoes industries.

I stayed a few days longer to organize a conference with some Thai businesspeople and the program economist at the mission, Peter Thormann, made it possible. We had an interesting dialogue. I wrote a paper highlighting the data and observations emerged from various interviews and the conference. The survey data showed that USAID had very little impact. Thai businesses had their own way of mobilizing-

Q: Mobilizing investments?

TOH: Yes, investments.

Q: Did the larger report get done as well or just-

TOH: Yes.

Q: What did the larger report say? Did it say that the impact was just so-so?

TOH: It was more positive than what the evidence and feedback we got in my survey and the conference.

Q: Okay, okay.

TOH: PPC did produce one interesting report about promotion of foreign investment with USAID assistance.

Q: So, they tried to look at different countries' experiences?

TOH: Yes. I'm not sure whether this was just a one off or it continued.

Q: Okay. What you specifically wrote about was the narrower part of this and then other people expanded it into a-

TOH: Well, I don't know how much they used it but I thought it was interesting from the data that I collected. And Peter Thormann, the mission economist thought it was interesting too.

Q: And you were interviewing Thai businesspeople from multinationals and Thai companies?

TOH: Mostly Thai companies. We did the textiles, which was the toughest sector because people did not want to talk to us. They were concerned about U.S. policy. We looked at the shoes industry too. I visited several shoes factories.

Q: Okay. Just out of curiosity, in doing it beyond the brief of what you were supposed to be doing, I mean, did it make you stop and think about what USAID had done in Thailand over its history or did you have any observations that were big picture that you said wow or no wow moments?

TOH: Well, yes, I think USAID probably did some good, particularly in some of the infrastructure projects; we helped build some roads. You remember the Friendship Road in the northeastern region of Thailand? What else? I think support for training was also useful.

Q: Yes, there was a book that Bob Muscat did on USAID in Thailand and I think the thing that he said was the greatest benefit was the participant training.

TOH: Yes, I recalled that. And maybe some agriculture and rural development area. And USAID was also very successful in health and population, especially family planning.

Q: Okay.

TOH: So, I think overall if I had to have a bottom line, I think aid to Thailand was overall positive. But I think later, less so. Thailand should have graduated sooner.

Q: Yes, right, it probably should have graduated earlier than it did but people like to work there-

TOH: They kept extending it.

Q: -so they kept extending it.

TOH: Yes.

Q: Right. And so, then I think we were doing very marginal things.

TOH: Right.

Q: Okay. So, that's good. So, that was done; you were working in the Africa Bureau then but got-

TOH: Got borrowed.

Q: -got borrowed to do that study. So, it sounds like- So, you did that for sort of three years in Washington in the- well, first year, year-and-a-half in the Asia Bureau then over to the Africa Bureau.

TOH: Right.

Q: And so, and then you began to look for another overseas assignment and?

TOH: Kenya.

Q: Behold, Kenya raised its head. So, in sort of summer of 1992, who was the mission director then?

TOH: John Wesley.

Q: John Wesley, okay. So, John approached you to-?

TOH: Yes, John approached me through Dave Lundberg, and I helped Dave recruit Peter Thormann to replace me.

Q: And so, you were the supervisory program officer and so that was- how big was that office at that point in time?

TOH: Well, it was not as big as in the 1980s; but it was still a good size. There was no American program economist; but we had two Kenyan economists, one of them was Cyrilla Bwire who worked for me in the '80. There's an assistant American program officer and a super Kenyan budget/program assistant whom I also knew in the 80s. And we had a participant training unit with three FSNs. So, it's kind of like coming home.

Q: A lot of Kenyan staff?

TOH: Yes.

Q: So, did the Kenyan staff manage most of the budget work?

TOH: Yes. In fact, I was so lucky; we had two very experienced FSNs and they did all the budgeting stuff, the ABS (Annual Budget Submission), pipeline analysis and all that. And I trusted their work. We also had an excellent FSN economist (Cyrilla Bwire). She has a Master's degree from Canada,- I was going to say McMaster. She was excellent. I recruited her in 1987, my first time in Kenya. So, we worked together before.

Q: Do you recall sort of more or less what the size of the budget was at this point because this was after the consultative group meeting in '91 so the balance of payment support was-

TOH: Was suspended at the November 1991 CG and never restored. Since then, Kenya did not have sector or non-project assistance.

Q: So, what do you call the level funding? If not, you can-

TOH: I would say maybe around \$50 million or somewhere in that ballpark.

Q: Was the food aid, the PL-480, was that all projectized or was some of it Title III? Did you have Title III?

TOH: Yes, the counterpart funds in local currency were projectized.

Q: The Clinton Administration and the AID administrator, Brian Atwood, who had come to AID from the National Democratic Institute and was very strong on democracy and governance issues and where Kenya was and I know there was a lot of controversy. Didn't at one point wasn't there a movement to say no more direct programming with the government of Kenya?

TOH: Yes.

Q: And did that happen? I remember there was an effort to want to do that but I don't recall whether it actually ever happened or not.

TOH: Well, we still obligated our funds with the government but we did not channel the funds through their system. Instead, we had our own special accounts. And we channel most of our funds to NGOs, civil society, and contractors. Brian Atwood came to Kenya after John Wesley left and not long after the arrival of the new mission director and I was his deputy. We were trying to help the minister of finance to develop a project which was intended to support local capacity building to address the question of accountability and corruption.

Q: Yes, right.

TOH: And we worked so hard through the Kenyan desk officer in the finance ministry. He was very supportive and instrumental to get the idea and the project agreed by the ministry.

Q: This was someone in the ministry of finance?

TOH: Right. Get the minister of finance or the PS to agree. It's about transparency and accountability through capacity building. It was supposed to be non-controversial. So, we had everything agreed, ready to sign. The new mission director had the bright idea, he thought he could use this as a deliverable when Brian Atwood came. It turned out to be a big mistake. The new director didn't realize how Atwood didn't like the Moi government. So, instead of us signing the project agreement quietly and getting the activity funded, which I would have done. But I think also because Washington thought it would be nice to have a deliverable for Atwood. So, when Brian Atwood came the director was riding in the car with Brian from the airport and he proposed the idea to Brian-

Q: Signed with the government of Kenya.

TOH: Yes. Brian Atwood was so mad. The director told me later, he said Kiert, "he chewed me out." I paraphrased him. Apparently, Atwood was more concerned with how he would be seen by the press and the public of signing a proposed project activity with the "corrupt Moi government." So, Atwood refused to do it. The irony of this incidence was the Kenyans probably were just as happy not have to do it in public.

Q: It's an important lesson, yes. I remember that when Brian came back from that trip and- He was not happy.

TOH: Oh yes, yes, I remember you came to visit Kenya.

Q: Yes, afterwards, I think.

TOH: Yes, afterwards.

Q: So, what was the program focusing on when you were there? Initially as a- when you went as program officer in '92 and what were the main points of the strategy and then how did it evolve during the four years you were there, if it changed at all.

TOH: We had four strategic objectives: democracy and governance, agriculture; natural resource management, and health, family planning, and HIV-AIDS (pre PEPFAR)

Q: What kind of democracy/governance work were you doing? Was it with the political party groups there, working with NDI (National Democratic Institute) and IRI (International Republican Institute), were they working with political parties and was it electoral work or rule of law work or civil society development work or a little of all of it?

TOH: I think mainly to strengthen the party, particularly the opposition party, NDI did some work in- and we tried to train parliamentarian officers to have better understanding about economics and public policies. One of main contractors was NYU (New York University), New York City-

Q: Ah, the parliamentary one, yes.

TOH: Yes.

Q: NYU-Albany. That's right; they were doing a lot of parliamentary training around the world.

TOH: The SUNY project did pretty good work. So, we mainly were working on training, capacity building, and understanding the issues and sending them on study tours. I think NYU organized some of the trips to look at how local governments in the U.S. works. It was somewhat ironic that the activity that Atwood refused to sign off was to complement the SUNY project by developing the in-government capacity (the executive branch) so that the legislative/parliament and the executive branches could have similar frame of reference when they engage in policy discussion and legislative affairs.

Q: Did- on the agriculture front were you doing agriculture research? Were you working- Isn't there a-

TOH: Yes.

Q: There's an agricultural college in Kenya; were you supporting that?

TOH: Yes, Egerton.

Q: Egerton

TOH: I think Egerton is kind of a showcase of successful long-term institutional development project that has proven to be sustainable and transformational development. We assisted the project from the beginning and continued to support it, making necessary changes. Today, it is viable teaching and research institution that is home grown. USAID provided significant training and we helped linked it to U.S. universities and institution.

Q: Yes, okay, good.

TOH: And in health we worked with many international NGOs and local organizations. We didn't work much with the ministry of health directly. And the healthcare financing, it's kind of gone away. I don't know what happened by the time I got back.

Q: That's where that kind of dialogue falls away when you don't work directly with government.

TOH: Right. Another successful story of our long-term involvement in Kenya is our family planning program.

Q: Well, in fact, yes, now, in fact I think Kenya is seen as one of the successes in terms of fertility reduction. Is that correct? Because I remember when I- first demographics class I ever took Kenya had the highest fertility rate in the world or something and then now it's-

TOH: Right. According to the latest Kenya Demographic and Health Survey (2015), the total fertility rate fell from 8 births per woman in 1960 to 4.8 in 2005, and today it is 3.9 births per woman.

Q: But now it's a reasonable record, I think. I think it was like seven or eight or something; it was some astronomical number. Anyway. And on the natural resources management, was that working with national parks and wild life so it would have been sort of tourism-related work as well or-?

TOH: Yes, tourism plays a part. There were several components. In this area, even though we worked mostly with local communities and NGOs, the Kenya Wildlife Service was very helpful and cooperative. Without it, I suspect it would be difficult to sustain.

Q: And the national parks, yes, right.

TOH: Yes, and the conflict between farmers and the elephants. When elephants -

Q: Came in, yes, they mess everything up.

TOH: This is where tourism came in as a rationale to persuade farmers not to kill elephants and at the same time find solutions to protect crops from being destroyed by the elephants

Q: Right, right, but you have to figure out some way to get some of the benefits to the communities, yes.

TOH: Yes. And it was- you remember Richard Leakey? Leakey.

Q: Yes. He was the minister, wasn't he?

TOH: Right, at one point, he was a minister. And he was very supportive of our community-based natural resource management. Our program also included forestry management and biodiversity. Another big name that supports our program was, you remember Wangari Maathai?

Q: Yes.

TOH: Who was the first African woman to be awarded a Nobel Peace Prize. Her interest was in trees, forestry, and biodiversity. When I went back to Kenya the third time she became the deputy minister.

When I look back as some of the major successes of USAID program in Kenya (and in Malawi), I cannot help thinking of the role of building human capital (such as, our participant training activities in various ways) and local institutions. And I would argue that was made possible because of our long-term vision of staying the course, of continuity despite having to work under less-than democratic government and checkered records of governance both in Kenya and Malawi.

Q: Of continuity-

TOH: Kenya (and Malawi too) was fortunately not subject to extreme, violent, political change or conflict that at least made it possible for USAID not having to turn our programs on and off again like in some other countries. That allows our programs to continue without drastic changes. I think we also tried to put the emphasis on monitoring and evaluation or monitoring, not necessarily to kill the project but to make modifications.

Q: Adjust it.

TOH: And then we tried to put emphasis on coordination, on working with other donors, so it's kind of the three Cs, continuity, coordination and conviction to results.

Q: Interesting point on evaluation, that- so you can see what's working, what's not and then make modifications; did you find that usually you had it within your power to make the kinds of modifications that were needed in a program?

TOH: Not always – because of Congressional earmarks, Presidential Initiatives, for example.

Q: Okay. Let me just ask one more thing on the forestry just to- as a matter of fact for the record. You had talked about Maathai-

TOH: Yes.

Q: Yes. Did AID work with her early on in the beginnings of its program and then see her grow and become a more responsible, you know, into higher level positions or not? I mean, I don't want to put words in your mouth, I was just curious.

TOH: Yes. She did benefit from AID program. She was part of the Kennedy-Mboya Airlift program in the 1960s.

Q: Oh, that's right, okay, so she was part of that initial Kennedy-Tom Mboya scholarship program.

TOH: Yes, right.

Q: Okay.

TOH: So, she'd talk about that. But we did help her when she was struggling with the Moi administration. She was beaten up badly leading the demonstration against the Moi government. We provided support at the beginning of her Greenbelt Movement – an environmental NGO. She was also a political activist.

Oh, the other thing that was neat. We had a training project; it's called Training for Development Project, which I was involved somewhat during my first tour in Kenya. We designed the project with a concept of partnership. USAID would provide some funding and the participant must also come up with some funding to match, for example, a 50/50 split. Typically, we'd get people who were working for some company or in some ministry, in some organization and they had to have the skin in the game, so to speak.

Q: Okay. So, they might get then a leave of absence from their job to go on a scholarship from ____.

TOH: Yes. And then maybe when they come back they get the job back and they get higher pay, a move up to a higher position. But somehow it didn't last very long. By the time, I got back in 1992 it had ended. Perhaps, for lack of funding. But I got to talk to some of these participants. They all spoke highly of the project.

Q: Right. It's interesting because we've interviewed some former FSNs as well for oral histories and also very interesting that all of them talked about the importance of these kinds of generalized participant training programs. Anyway. But AID itself didn't have enough continuity with them. So, that's interesting. So, that was a program that while you were there as the program officer and the deputy director had started up this participant training?

TOH: No, we had that when I was there the first time in the 1980s.

Q: Oh, okay. Probably when budget got cut it was one of those things-

Q: So, during this period, again, while you were the supervisory program officer and then the deputy mission director, so was the budget- did it continue to be constrained and then staffing constrained as well?

TOH: I think so, we also had staff reduction. Several positions were eliminated including the deputy director position after I left.

Q: It does remind me about the relationship between the Kenya mission and the regional office in Nairobi. Did- At that point were you sharing the same office building, right, but different floors or something?

TOH: That's right.

Q: What were relations like?

TOH: It was reasonably good in general. There might be some tension and a few disgruntled regional staff on issues like housing, GSO and the EXO – not in programmatic issues as far as I know. That was normal. EXO in Nairobi had a tough job serving too many bosses. I was not much involved in the decision to move the office. I was more involved with the actual move in my capacity as the acting mission director following the departure of the bilateral mission director and his deputy. I worked well with the regional mission director and his deputy in the planning for the move. In my view, the EXO did a fantastic job with the move. The move took place during the holiday season in December.

Q: You were in the downtown location then you moved out to that brick building outside of town.

TOH: Yes, out in the suburb. There was some tension between the bilateral and the regional mission concerning the move at the beginning before the decision was made. I heard people in the bilateral mission and many FSNs probably preferred to stay in town because it was close to their government counterparts and other stakeholders. The regional mission did not have to deal with that.

Q: Yes, right, right, because they weren't having to deal with the Kenyan government.

TOH: Or other partners. But the move went fine.

Q: Yes. I think that's when I actually came out. You all had just moved into the towers, I think, just within a week or two of my visit and you were acting director, I'm pretty sure.

TOH: Yes.

Q: Because I remember you hosted a dinner and had a wonderful collection of Kenyan officials there.

TOH: That's right.

Q: On Kenya, if I can also ask, and obviously this entire four-year period you were there was a very dynamic political period from December of '92 when there was the election, to '96 and the controversies when Brian Atwood came out and his reluctance to have you working and engaging directly with the Kenyan government. How were relations with the embassy during this period and how did you manage that? And also, managing the relationships with Washington because they can become difficult when there are political tensions, I mean, how did you manage that with the Africa bureau in Washington. So, let me start in first with the embassy. I don't know who the Ambassador was - did Pru Bushnell come before you had left?

TOH: No. But in general, at my level as program officer and economist, I worked more closely with the DCM (Deputy Chief of Mission), economic and political offices. The relationship was challenging. At the beginning before the staff turnover, they all seemed to come from the "school of hard knocks" in diplomacy, but overall it was okay.

Q: No, she had not come.

TOH: She came later; after Hempstone left, we had ambassador Aurelia Brazeal.

Q: Oh, right, Brazeal. And she had never worked in Africa before; she was an Asia expert, as I recall.

TOH: Yes, she came from the "economics cone." I did not get to know her beyond social greetings, events, and specific points in the reporting cables, until I became the acting mission director. I got along with her well – I suspected better than her own econ officers in the Embassy at the time. Apparently, her mandate after Hempstone was to restore relationships with the government. She had her own conventional way of diplomacy. It was a different way of carrying out diplomacy in a difficult situation. To some, it was seen as soft, not tough like the previous rogue ambassador, Hempstone. I think she had some tough challenges with her own econ, political officers, and Hempstone's DCM before her own DCM came.

Q: Because they thought she was too soft on the Kenyans?

TOH: I think so. But there might be something else which I don't know. She showed interest in our program quite supportive of the bilateral program.

Q: And she must have valued your good connections with Kenyan authorities, too, and people in the economics-

TOH: I'm not sure how much of that but I knew she needed someone to bounce off ideas and without worrying whether she was tough enough. I don't know her management style. But to me she was fine.

Q: Right. Plus, I mean, I'm thinking about whether the USAID mission was ever caught in the middle. The Ambassador was trying to improve relations with the Kenya government; AID Washington was telling you to not work directly with the Kenya government. Is that correct and how did you manage that? Or were there times it was very difficult to try to please both sides?

TOH: As you know very well, Carol. When you lived, and worked in the country, you took the rhetoric from Washington and put it against the reality of trying to get something done in your development programs. Everyone knows the old saying that governments are not monolithic; there are true reformers both in and outside the government. But we had to find some way to put the saying into practice by finding with whom we could work within the government and in what manner while also creating social capital – trust and mutual respect.

Yes, even though we were not channeling money directly to the government ministries or agencies, our technical officers had good relationship with their counterparts. They informed government officials and often invited them to participate in USAID-supported activities. But the high-volume rhetoric from Washington did not help for those of us who tried to work to develop local capacity and institutions as investments for sustainable and transformative development. I had FSNs who asked me why the AID administrator Brian Atwood “disliked” Kenya so much. They took it somewhat personally and they could see that their neighbor countries, for example, Uganda, Ethiopia, and Eritrea at the time, whose leaders Atwood seemed to be comfortable with. So, there was a perception of Kenya being singled out.

It was somewhat ironic, however, when we bypassed the government by programming USAID funds directly to NGOs or contractors, these NGOs and contractors often had to work with the government or asked the mission to help them dealing with the government to do their jobs. In effect, they became our agents and often these NGOs and contractors were mistakenly seen as donors not as agents for USAID who is the real donor. At any rate, we managed. And in hindsight, we did a pretty good job with our long-term investments in enhancing local capacity and institutional building.

Q: They were dealing well with their counterparts.

TOH: Yes, they worked well with their counterparts. And then sometimes we used the NGOs to make sure they told them that the resources were from USAID – this whole business about branding.

Q: And your contact with the economic policy makers, was that- because we weren't doing any policy-based programs at that point, were we?

TOH: No, we didn't formally have policy-based programs.

Q: So, your contact with them was primarily analytic, just on a professional development basis?

TOH: Right, to understand what was going on.

Q: Going on in the country and stuff.

TOH: Even though we did not have the resources or programs we still tried to work with the IMF and the World Bank to provide our perspectives. At the time I was very fortunate, both the World Bank and the IMF representatives were American. And we became good friends and tennis partners.

Q: And there were still annual consultative group meetings, is that correct?

TOH: Yes.

Q: Yes. So, you were still having to prepare U.S. positions for those meetings. And as I-

TOH: Right.

Q: Right, and Gary Bombardier, I think, represented the U.S., yes.

TOH: I think so.

Q: And in those sessions there still probably a political dialogue as well, right?

TOH: Right, mostly on governance issues.

Q: You may have drafted the papers from the field?

TOH: Yes, we did that.

Q: Because that's what we did in Malawi, we drafted them because we wanted to define the position and Washington could adjust it if need be but most often they took what we did.

TOH: But in '91 we did it in Washington with field input.

Q: Yes, right.

TOH: Well, we got some input from the field but we finalized the paper and sent it back, yes.

Is there anything more we need to talk about Kenya right now? Can you think of anything during that period that would be critically important? We've talked about relations, the basics of the program, we've talked about relations with Washington, State Department, embassy. And we can always when you- because you're going to be going back to Kenya again later so we can always catch up with you later.

TOH: Good idea.

Q: Right, right. Because one of the things that I'll let you know now is that at the end I want to come back to talk about how USAID supports policy reform programs and how best to do that but we can do that when we come back and after we've left about Malawi as well. What did you do when you left Kenya?

TOH: The War College.

Q: And was that something that you asked to do or wanted to do or how did that happen?

TOH: Right. So, I was sent into exile at the War College. You told me something about John Hicks who at the time was an AA, right? And he was coming to Kenya and when John came- because I was asking to go- I was trying to get a director position and I was thinking about it and I didn't want to go back to Washington. And John Hicks told me that I should take this long-term training, take one year off and I think you told me that after the training then the Bureau would consider me for the mission director job.

Q: Right. Okay. So, there was an incentive to go to the National War College?

TOH: Yes.

Q: Right. So, how did you enjoy it? Was it a good experience?

TOH: Yes, overall it was a good experience. Initially it was kind of- I had to sort of motivating myself to get into it because it wasn't really what I wanted. But I said to myself well, let just make the best use of it. And I learned- Then later, after I started to interact with the military people, I began to realize that maybe there was some benefit for USAID to interact with and to understand the larger picture of national security and consider the perspective of the military, the national security perspective. So, I started to enjoy it. I especially like the part on US-Sino relations. And the nicest thing was I got to go to China.

Q: Right, I was going to ask you, so you did an international trip?

TOH: Right.

Q: So, you did the-

TOH: I signed up for China. The expert who was running this seminar course on the U.S.-Sino relationship, he liked the idea of some economic perspective and because of my background, they agreed. That was the best thing I got out of my time at the War College.

Q: And do you speak Mandarin or do you speak some Chinese?

TOH: No, I don't speak Mandarin..

Q: No.

TOH: The dialect my parents speak is not Mandarin but quite common in Thailand and Singapore.

Q: Okay. So, where did you go in China? Was it- This was a two-week trip or something?

TOH: Yes, two weeks. It was around July 1, 1997, when the British turned over Hong Kong to China so we stopped in Hong Kong and we met the Brits in the embassy, getting some briefing about what's going on and a lot of concerns about whether China would change Hong Kong into a communist system. And so, it was interesting and it was good timing. In China, we were in Beijing, Xi'an and Dalian, close to the border with North Korea. We didn't go to Shanghai, which was a disappointment. I was really looking forward to seeing Shanghai. The reason was there was a German delegation there a week earlier and the Chinese government did not want another delegation in Shanghai.

Q: You had to do a research project also, at the War College, is that correct?

TOH: Yes, we did several.

Q: Was there one major one you have to do?

TOH: Not really. I don't think so, except for the field trip.

Q: Oh, okay.

TOH: Each section or seminar you wrote paper(s). I must have written about seven or eight of them. They were relatively short papers, 8 to 10 pages.

Q: I was just wondering if there was one major one but that's okay. Okay. And was there an AID faculty member there then?

TOH: Yes, it was John Blackton.

Q: Okay. And did you- were there any of your other agency colleagues that you came across later as you became a mission director; did you come across any of them again? Your fellow colleagues?

TOH: No.

Q: Okay. But anyway, but it turned out to be a good experience because then you got to go on to be mission director afterwards.

TOH: Because Deputy Assistant Administrator for the Africa Bureau, Carol Peasley kept her promise.

Q: So, you were at the War College '96, '97 and then, so it becomes summer of 1997, you graduate from the program at the War College and you get assigned as mission director to Malawi? Is that correct?

TOH: Correct.

Q: And can you tell us a little bit about that? What was going on in Malawi when you got there?

TOH: Well, it was interesting. I felt very much at home for some reason when it came to Malawi maybe because I was looking forward to going back to Africa. And one thing I learned quickly was that there was this re-engineering stuff going on and I thought it would be good to kind of have a little retreat and to find out from the staff and I made it clear that the retreat was to help me get started. The nice thing was that at the time Washington had some money, to support missions on re-engineering. So, I asked for it and Washington approved it. It turned out that it was Fred Fischer whom I knew from Kenya.

Q: Oh.

TOH: Fred interviewed staff including FSNs, did some facilitation, wrote up the retreat report. That was quite helpful.

Q: Is this something that you would recommend that new mission directors do, is to have that kind of a session early on?

TOH: Yes. I think it was useful, particularly for the FSNs. We had personnel reduction and lower program funding at the time. I thought having a retreat and having some facilitator come in instead of me going around and asking people would give me a little bit of distance and objectivity. They may want to speak more-

Q: Candidly to someone neutral, right.

TOH: -candidly, yes. I thought Fred did an excellent job. It helped me to be aware of some personnel issues and the relationship between Americans and FSNs. By the second year, I made some of the personnel changes in the program office. I was fortunate to be able to recruit the new program officer (the late Al Smith) who was in Washington at the

time and was anxious to go back to Africa. I knew Al from our time in Kenya in the mid-1980s. Since we did not have a deputy director position at the time, I asked Al to wear two hats, a formal one as the supervisory program and the other as *de facto* deputy director. Al helped me implementing some of the recommendations from the retreat as well as completed the reengineering process that we all had to do at the time. He did an outstanding job of integrating FSNs, mentoring them, and advancing their careers. The FSNs loved him. In the mission, we called him Mr. “R4” – the Results Framework – because he did a lot of that when he was in the Africa Bureau in Washington. He transferred his knowledge and experience to the mission. When the contract for an American PSC who was in charge of M&E (monitoring and evaluation) ended, we switched the position to a FSN position for M&E. Al did all the work and I just signed off on it. It turned out because of Al’s work, we got an excellent FSN professional. He got one of the best on-the-job training and mentoring from Mr. “R4” himself. On the program side, Al and I initially worked closely to respond to some of the challenges on three large NPA (non-project assistance) policy reform programs: girls’ education, agriculture, and natural resource management.

Q: Okay. So, the three big programs and they all had project components and then there was also large, I think large public health, HIV-AIDS, and family planning projects. And the democracy governance stuff is probably quite significant...

TOH: Yes. The Girls’ education NPA reform was a very successful program. We achieved the objectives of the program. Not only that, the program was institutionalized and the government adopted it as its program, and today I believe it is the government policy and approach. According to the World Bank, enrollment for primary schools for girls was about at par with boys and adult literacy rate in Malawi is now 61.3 percent with male at 72.1 and female at 51.3. It is still a continuing challenge. And USAID was at the frontier for this success. The mission directors preceding me deserved credit for their foresight, vision, and staying the course despite some difficulties at times. They developed excellent relationships with our counterparts in the government that built up the social capital and made for effective policy dialogue even when we disagreed. I am thankful for the legacy they left me. Changing local institutions and social practices, especially for the girl child and education and the resulting inequity of economic opportunity, takes time and a long-term perspective for the investment to pay off. And I think in this case, we all at USAID can be very proud of. I am.

Q: Complete that program? And did that then get the mission out of education or was there any kind of an education follow-on program?

TOH: Yes, we successfully complete the program and disbursed the last tranche in the program. But the end of our NPA program was not final. There are still some daunting challenges in building local capacity and institutions. As I mentioned earlier, the government continued to support the approach and called it their own program. We had a direct-hire slot for the education officer. So, even we did not have a lot of funding for Malawi at the time, I thought if we had expertise in the field we could leverage resources from other donors or stakeholders and use our knowledge to continue advising the

government given our good relationship. There were not too many USAID education officers. On one of my TDYs to Washington, I lobbied with the education office in the Africa Bureau that managed central funding for Africa. Fortunately, we had strong results to show and she helped me recruit a highly recommended education officer who was ready to leave Pakistan. We were also able to get a small amount of funds from Washington's centrally funded program. So, we remained active. I left before the new education officer arrived. I understand that she continued the tradition of good partnership with the government. And actually, she joined me I think a few years later in Kenya when we created an education officer position. Her name is Dr. Sarah Wright.

Q: Yes, I've met her.

TOH: Yes. She was very energetic and very active, and did a good job in continuing and maintaining what we achieved under our GABLE program, Girls' education program.

Q: Okay.

TOH: And actually, I also met the- what's the Malawian lady who was in charge of GABLE, Kate- you remember?

Q: Kate Kainja.

TOH: Yes, yes.

Q: She was the minister of education.

TOH: And she wrote a book, right?

Q: Right.

TOH: We had lunch at my house – she had already left the government. She helped me understand the issue.

Q: Because she helped design the program when she was at the University of Malawi.

TOH: Okay.

Q: When no one knew she had any political connections and then suddenly she became the minister. She loved the GABLE program and she helped design it.

TOH: So, I got an excellent insight into the GABLE program.

Q: You talked about continuity; I think USAID in Malawi was well served by having had a long history of very good working relationships with Malawian officials. Your immediate predecessor, Cynthia Rozell and I preceded Cynthia, John Hicks preceded me and John passed on his wonderful relationships to me, I passed them to Cynthia, Cynthia

to you. So, there were really very strong working relationships which obviously helps every new mission director when they come in.

TOH: Yes, that's important. And the mission director should not go in and try to put his name-

Q: Change everything.

TOH: Yes, change everything. And so, the continuation- well, with some modification.

Q: Yes, right, sure, absolutely.

TOH: You don't just blindly continue. Monitoring, evaluation, and learning is part of it. USAID as an organization is not very good at it. As an example, the agricultural reform program (ASAP) we succeeded perhaps 85-90 percent what we set out to do. But the government had difficulty implementing the privatization of grain marketing. We ended up not able to disburse the last tranche of ASAP. I could understand why the Malawian reformers could not do it. The context changed from when the program was designed three or four years earlier. The government had a serious concern about food security and did not think it was a good idea to privatize the marketing parastatal to meet the USAID condition for the disbursement of the last tranche. Politics matters. In the reform program, we did not have a transition strategy to replace the role of the official grain marketing parastatal and the private sector was not well developed. Economists put faith in the long run equilibrium that somehow there will be this invisible hand that will lead us to it. Everything will be fine. We do not worry about the path we decide today – path independent. Politicians, on the other hand, believe in path dependent. Not every path one takes today we get the same outcome – equilibrium efficient outcome in the long run. All the conditions required to have a competitive market equilibrium were not there to achieve the efficiency economists talk about. But we did achieve some of the significant milestones in the program like allowing smallholder farmers freedom to choose what crops to produce including cash crops which were previously prohibited under the authoritarian government. That was a good source of income for smallholder farmers and women. We also provided technical assistance, marketing, and training to improve agricultural productivity, and enhanced policy analytical capacity in the ministry of agriculture.

Q: Did some of this revolve around- again, because the original vision of ASAP was that a small holder could grow any crop they wanted and buy their inputs from whomever they wanted and sell their output to whoever they wanted.

TOH: Yes.

Q: So, it was completely- liberalized the marketing system. And obviously that was a long-term vision but not one easy to achieve.

TOH: Right, as far as the choice of crops farmers would like to grow and market.

Q: Was fertilizer subsidy a key part of this issue that I think perplexed the donor community and the government of Malawi for many, many years? And was that part of this controversy?

TOH: Yes. Under the reform program, we wanted the government to eliminate input subsidy. Other donors, notably there was an ag. expert who used to work for the World Bank who told me that USAID was wrong. He said Malawian smallholder farmers still needed a subsidy. They came up with a program called Starter Pack whose primary objective was to promote the adoption of a new technical package and fertilizer and seeds were critical elements in the package. The justification for subsidized fertilizer and seeds was to increase use of appropriate seeds and fertilizer. Our technical people disagreed with the government. So, we had a stalemate. Jeffrey Sachs of Columbia University who was an adviser to the UN lent support to the government approach.

Q: He was supporting subsidized villages.

TOH: That's correct together with his idea of "millennium villages."

Q: Right, yes. Interesting. Just go back to the fertilizer issue because I still hear people from Malawi argue that some subsidy is needed. And I'm just wondering if one steps back from it and as an economist you would be prepared now to look at it differently than you did then or do you feel the same about that issue?

TOH: Even at the time I was sympathetic to the government's view and to this retired World Bank expert who lived in Malawi and knew the country well. But I also understood our technical folks' concerns about implementation and accountability – leakages, wrong people getting the subsidy, and corruption. I discussed the possibility with the retired World Bank expert and some government officials I trusted including the Vice President, the central bank governor whether the government was willing to modify the program. I suggested that they made the program a targeted subsidy program. That would address some of our ag people's concerns. But they thought it was too complicated. Politics overshadows economics. So, they went ahead. But I do not think our failure to convince the government was fatal. I read some report that some of these things worked out – some failed – that it helped them, particularly during the drought. So, I think probably looking back our conditionality probably should be less-

Q: A little less rigid, more nuanced and more- yes.

TOH: Right.

Q: Right. And the Agricultural Marketing Corporation still exists today, right?

TOH: I think so.

Q: Well, it's hard. I mean, as you said once before, you have to have- you put trust in your technical staff and- but sometimes people are- can be more rigid than it may be needed. So, it's a tough balancing act.

TOH: Right.

Q: Yes, it's the challenge of leadership.

TOH: Yes.

Q: Right. Yes, it's a- Just on that question of policy reform, because you've obviously been involved with both the design and implementation of policy reform programs as much as anyone in USAID. Before we finish, perhaps tomorrow morning, we come back to this subject. I would love to hear your thoughts of how, what works and what doesn't work, what are things to protect against and how to best do policy reform programs.

So, let me go back to Malawi. Now, Malawi had become a multi-party democracy in 1994 and you were there for presidential election in 1999?

TOH: Yes.

Q: So, that would have been the country's second multi-party presidential election I think. The first one was in '94 so they must have five-year terms I guess?

TOH: That's right.

Q: And so that would have been Mr. Muluzi running for re-election? He was first elected in '94. Was he re-elected in 1999?

TOH: Yes.

Q: Yes. So, during that election, did we provided similar support to what we had done in previous years with the electoral commission and the-?

TOH: Yes and other civic organizations and NGOs.

Q: You were an observer?

TOH: Yes, mostly at the time when the votes were being counted. We had a very smart, energetic third country national PSC (an Irish married to a Brit). So, she took me to different places where votes were being counted. We talked to journalists at various polling stations and listen to them. She represented USAID very well and had good critical and analytical skills. We also worked very well with the British High Commissioner and head of the European Economic Commission. We provided significant support to the electoral commission and IRI.

Q: Did we also do some- was there some party training work done for the people running for the elections?

TOH: I think perhaps through the IRI grant.

Q: Okay. Was there a donor coordination process for the support for the election and if so, how did that work and was there a lead donor vis-à-vis the donor coordination? I ask in part because in 1993 the United Nations, UNDP (United Nations Development Programme) very firmly organized all the donors to coordinate the referendum that took place in '93. So, I'm just curious how it- once you got into regular elections whether there was a similar process or not. There may not have been.

TOH: Well, it depends on what kind of coordination. If it was about information sharing and program areas, knowing what each other is trying to do. Yes. But we did not have the kind of joint or basket funding approach.

Q: Right. In '93 we all provided our support through the UN process so we were all controlled by them. It wasn't a trust fund so much but the consultants we provided worked as part of the UN electoral group. So, they weren't our consultants; we provided them to the UN.

TOH: No, we didn't have that for 1999.

Q: Yes, right, right. Now, during this period, just relations with the embassy and USAID I'm assuming were good?

TOH: It developed over time and yes, it evolved into a very good, trusting relationship between the Ambassador and me. It was helpful that she heard feedback about USAID from the British High Commissioner, the IMF, and other donors of what USAID did. She left Malawi before I did and in addition to a big party that the USAID mission gave her with our wonderful FSN staff, I gave a private party in her honor with then Central Bank governor, Matthew Chikaonda, and his wife that went on past midnight. She had a wonderful time. She told me later, said that was an excellent party and she "learned a lot about economics 101."

Q: Oh, that's nice.

TOH: The new ambassador was also very helpful. He left USAID alone as long as I kept him in the loop. It was a pretty comfortable working with the embassy at the time. They also didn't have a strong econ officer or political officer because not many senior people were assigned to Malawi. I thought for a first assignment as a director it was a lot of learning; fortunately, both Ambassadors whom I served were very supportive of USAID in Malawi

Q: Right. And relations with Washington during this period were good? I think you had the support that you needed and stuff.

TOH: Yes, I think Al Smith did an excellent job with the DP Office in the Africa Bureau. We also had a very understand DAA in the Bureau, Carol Peasley.

Q: The DAA kept an eye on things, okay. Okay, enough of that. We don't need to talk about that. I did make maybe two visits. Did I make two visits to Malawi or one? I know I came for a consultative group meeting.

TOH: Yes, you did at the time it was in Lilongwe, at the State House.

Q: Because that was the first time I had been in to State House because it was off-limits when I worked there. I don't remember what year it was but I think it was a consultative- and that was Ambassador Shippy, I think.

TOH: Yes.

Q: And she was there because I remember she came to the opening of the consultative group meeting and that was when I met her. And so, it was, yes, and then we made a field trip down to-

TOH: To Zomba.

Q: -Zomba. We did some GABLE stuff, I think.

TOH: Yes.

Q: So, I know you got good support from Washington. But anything else on Malawi that you can think of or we could stop for now and we could pick up and then tomorrow morning we can do your return to Kenya and then your post-USAID work.

TOH: Sounds good.

This is Carol Peasley and it is February 10 and we are continuing interview of Kiert Toh.

Kiert, I think when we finished up yesterday we were- you were about to leave Malawi after four years; you were there from 1997 to 2001 so it's now 2001 and as you're leaving Malawi I know that you went on to Kenya as mission director, but curious whether that was your first choice to return to Kenya or whether you were looking at other options. Perhaps we could pick up from there and as you're leaving Malawi and thinking about where you're going next.

TOH: Thank you, Carol. The assignment to Kenya came in somewhat of a surprise because the director in Kenya at the time in 2001, his tour was not up until 2002 or later. But he decided to leave Kenya earlier. My first choice was to go to Tanzania. Out of the blue, I got a call from the Africa Bureau DAA, Keith Brown; he told me that Tanzania would not work because they had someone for the reason of schooling and so he asked

me how about Kenya? Would I consider it? My first response was that I had already served there twice, was it a good idea for me to go for the third time, and Keith said there was nothing against going for the third time.

Q: Yes.

TOH: I agreed to consider it, I told him I need to discuss it with Pam. She liked Malawi a lot because it's quiet and more tranquil after our hectic second tour in Kenya in the 1990s, and-

Q: That's why they call it beginner's Africa.

TOH: The Warm Heart of Africa. She was not very sure whether she would like to go back to Kenya but in the end, after a week, she decided she would. So, I called Keith and told him that yes. The AA for Africa, Vivian Derrick interviewed me again and she approved my assignment.

Q: Right. So, Vivian Derrick was still the assistant administrator so this must have been done sort of the end of 2000 before the election in 2000?

TOH: Yes.

Q: So, it must have been- the decision must have been made before the end of 2000 for you to transfer in the summer of 2001?

TOH: Right.

Q: Okay, so it was some months ahead of time and part of the regular bidding cycle?

TOH: Yes, it went through the regular cycle.

Q: Yes, okay, so it was well ahead of time, okay. So, then in the summer of 2001 you headed to Kenya.

TOH: Yes.

Q: Now, so you did home leave and then went to post?

TOH: Yes. Well, we drove from Lilongwe to Nairobi.

Q: You drove up. I was going to ask. I thought I remembered hearing that you drove up.

TOH: Yes.

Q: Was that interesting?

TOH: Yes, it's interesting. But I didn't drive by myself alone; I also had my driver with me. Pam and I loved seeing the lake and the most northern part of Malawi before we left the country. We were lucky. We had perfect weather throughout the trip. The big blue sky, the tranquility, the lake, it was just beautiful. We overnighted in a game park in Tanzania and then Nairobi. We spent a night in Nairobi and saw our driver flying back to Lilongwe because we used my car. After that, we flew out from Nairobi to take my home leave.

Q: That was a good idea. So, then you returned to Kenya after home leave. This was sort of five years later and you're returning. Were there significant changes in the country or the program or anything that was noteworthy or did you feel like you were coming back into something fairly similar?

TOH: Yes. Several things were different. The major one was the Embassy bombing in August 1998 – August 7. I was in Malawi at the time. And so, one thing is the bombing and the- kind of the anxiety all the FSNs went through and then Sept. 11. The second thing was the fact that we would be having an election coming up in December 2002. There was optimism in the air of the end of the Moi regime. And third, our working relationship with the government which I found out later was a disappointment especially in contrast with my experience in Malawi.

Q: Right. Could you be more specific about the third of those things you mentioned, the changes in how you- how the mission was working?

TOH: Apparently, we neglected to work with the government especially the Program and the Front Office – perhaps, by design. We would ask the financial secretary to sign our ProAg or SOAG (Project Agreement or Strategic Objective Agreement) or amendment with the Ministry of Finance. In these documents, there were no adequate details of where the money went. Even if we had enough details of our activities, the government would not be able to explain, for example, to the Parliament, of where the money went because the funds were not under their control. We did not try to help them understand so that the Permanent Secretary could explain to the Parliamentary Accountability Committee or the General Auditor. Sometimes, our controller or program office would send them some computer printouts. We channeled most of our funds to contractors, NGOs or other non-governmental entities. We needed the government signature mainly for duty-free imports of project commodities and work permits for our expatriate contractors or NGO staff. Sometimes, our nongovernment partners abused the privileges by including in the shipment of personal effects, including in one case a personal vehicle. The Parliamentary Accountability Committee would grill the Permanent Secretary, and he would not be able to explain where USAID funds went because we didn't bother to tell the ministry. The PS would then be implicated in corruption.

Q: So, they're just signing an umbrella agreement. Did they have any idea what was going to be in it?

TOH: That's the problem; they didn't have the details. It is not necessarily an umbrella agreement. It was usually done by strategic objectives (SOAG) or activities under the SOAG. In my view, we had gone too far. Often, it was done at the last minute before the end of our fiscal year, last week of September. One of my first challenges, after I had studied the issue, was to try to get Washington's support to change the program officer. I think it took about a year to get Al Smith from Malawi to mid-tour transfer to Kenya for as supervisory program officer and *de facto* Deputy Director.

Q: Okay. Those are important changes, yes.

TOH: I was also given mandates during my Washington consultation. The DAA told me Kiert, these are two things I wanted you to do when you got to the mission. Number one, complete the embassy post-bombing recovery program. I think Congress appropriated about \$78 million if I remember correctly, and Congress kept asking when USAID would finish the program. So, that's number one. Number two, apparently there were a couple of Jesuit priests who created some problem for Washington-

Q: Ah, right, who were critical of the family planning program?

TOH: In this case, it's not family planning, it's about HIV-AIDS activities and this Jesuit priest turned out to be very influential. I knew him from my past tours in Kenya, but I didn't know about some of the issues he had. He was upset with the mission and he connected with someone he knew in Congress and they wrote down into the legislation- it's not an earmark, per se, but what is it called?

Q: A directive.

TOH: A directive. And then there was another Jesuit priest. It was about training in democracy and good governance. He worked with an outfit called- actually, it's Aspen, Aspen Institute.

Q: Aspen Institute, yes.

TOH: Yes. He had something there and he wanted to get our support to do some work with the Institute. Apparently, they raised some issues at the Washington level, so DAA wanted me to address and resolve the issues at the mission level and made sure they didn't raise those issues in Washington, especially going to Congress.

Q: Okay. The first mandate was to finish off the recovery program from the bombing; the second was to make peace with the Jesuits. Okay. Was there a third mandate?

TOH: It related to finalizing the plan to program and obligate funds, for our commercialization of agriculture strategy objective. The SO team was behind schedule. I was supposed to get the document in as soon as possible along with developing some kind of strategic plan.

Q: Yes, sort of a results framework type of thing?

TOH: Yes, something like that. I guess by that time we didn't do much analysis at all, right, we just wrote a strategic plan- and we had this romantic idea that each strategic objective team would work with USAID "partners," more accurately consultants, contractors, or NGOs to develop an implementation plan for achieving the results.

Q: Right, the project design process had kind of broken down by then, yes.

TOH: Yes.

Q: At this time in the early 2000's, was the United States Government still pushing the Kenyans for more political freedom and more openness and more respect for human rights? Was that still part of the U.S. dialogue?

TOH: Yes. We had a strong ambassador there. A "Big Man" Ambassador.

Q: Ah, that's right, yes, former assistant secretary.

TOH: He was particularly keen on the corruption issue, on human rights violations, and at the time on the upcoming general election in December 2002 and President Moi had agreed to step down by following the constitution.

Q: Corruption issues, that's right, yes.

TOH: I got to Nairobi, I think, the last week of August 2001, and lo and behold the DAA, Keith Brown, came to visit us. I think the visit was more related to the REDSO/Regional mission. I was there just about a week earlier or something like that. And we had September 11.

Q: Oh, that's right, yes.

TOH: And actually, I think Keith was on the way back to Washington.

Q: So, he got stuck somewhere.

TOH: He got stuck somewhere.

Q: But he didn't get stuck in Nairobi.

TOH: No, he didn't get stuck in Nairobi. So, now the September 11 changed-

Q: Changed everything.

TOH: Yes, it had some implications because Kenya experienced the Embassy bombing in 1998.

Q: Over the longer term how did September 11 affect- did it affect USAID budgets for Kenya or the priorities or what you should be working on? Did it have any kind of impact in that way? It may not have; it's a neutral question.

TOH: Not much in programmatic terms. Maybe some in terms assistance to support the upcoming general election. September 11 raised the awareness of terrorism and security issue. It tended to remind staff, especially the Kenyan staff, of the Embassy bombing in 1998.

Q: Right. And I know that AID in Washington tried to make the case about the importance of development and strengthening the nation states so that they wouldn't be subject to terrorism and stuff so that the security relationship of development so that probably helped with the Kenya budget as well.

TOH: Somewhat, I think. The more important part that helped the Kenya budget was the PEPFAR.

Q: Yes, right, we'll come to PEPFAR. Okay. One of the things that I'm hoping you can talk a little bit more about, you said it was one of your mandates was to complete the \$75 million program that was used to assist the victims of the '98 embassy bombing and I'm wondering if you could talk a little bit about what that program was. We've done an oral history interview with Phil Gary, who was East Africa office director that went out to help put that program together right after the embassy bombing and it would be very good to hear a little bit more about what actually was done and then how it got wrapped up and what your thoughts are about that emergency program.

TOH: Well, as you know, it was more than three years before I got there and all the resource allocation decisions were made and my job was to see that the work was done as soon as possible. We built, I think the Cooperative Bank of Kenya, which was next door to the embassy, and that, I believe, was a big part of the program. We provided some counseling for people who were affected by the bombing. We provided some assistance so - I guess there must be some kind of compensation or maybe compensation is not the right word but some support-

Q: Support to the families that were affected-

TOH: To the families of the-

Q: -who lost people?

TOH: Yes. Because the embassy was located right in the middle of town and there was a lot of traffic, traffic jam and all that, and it happened during- in the- I think it was early-

Q: Early morning?

TOH: Yes, early morning.

Q: I think there was, as I recall, to provide scholarships for the children of victims and things like that. So, your task was to make sure that it all got finished off. Was the construction the main thing that was still hanging by the time you got there? You said it hadn't been completed; I was wondering what the remaining parts were.

TOH: I am not entirely sure. But I think mostly some loose ends here and there. We had contractors, local contractors, an army engineer, an expatriate PSC as the project manager in the mission who didn't seem to be in a hurry to finish the project. After all the commitments being delivered, we had some money left. Working with a local civic organization, we used the fund to create a memorial park at the site where the Embassy was.

Q: Oh, a memorial park. Good, well that's good. I'm sure it was something that did a lot of good and responded to a necessity.

You had mentioned about some of the- I know that immediately after the bombing that there was a lot of effort to provide counseling, including for the Kenyan employees. You said that some of the Kenyan employees were still affected by the bombing. Did you still have to deal with that at all? Or had people moved on beyond it by this time?

TOH: Yes, we did.

Q: Okay. Before we go on to talk about PEPFAR, and we will talk about that in a second, just, was the program generally working in the same focus areas that you had been working on before with democracy/governance, health, and private sector development or microenterprise development?

TOH: We changed somewhat at the margin because of lack of economic growth funds and because the country context had changed. Our private sector involvement became more focused – more on the goal of commercialization of the agricultural sector and microfinance. Regarding the strategy objectives, they had not changed substantively. Later we added a special objective on education that was centrally funded. And I think in 2002/2003, Kenya became one of the PEPFAR-focused countries and thus we modified our strategic objective in our health and population sector.

Q: Okay, okay, that was- okay, okay. No, that's good, just as a background. Well, let's talk about PEPFAR because the legislation for PEPFAR, President Bush became president in 2001, PEPFAR, probably the legislation was approved in 2002 or so? I think it was very early on in his first term. I believe they were initially selecting 14 focus countries. Was Kenya one of them? Do you have any observations about that initial planning process or about when the money began to arrive.

TOH: Okay. Well, at the beginning I'm sure our technical people -- we had a strong technical office -- engaged with Washington in the thinking but it never really came up to

my level. I recalled some of the discussion involved the relative emphasis between prevention and care, education, and treatment. And so, I didn't get involved in the thinking or the strategy. There were enough cooks in the kitchen.

Q: And you weren't involved with politicking to become one of the 14 countries; were you involved at all in that?

TOH: No. I was not involved with politicking. Occasionally, I would challenge the health staff that they should also look at the issue of how to integrate the intervention at least over the medium term in the country's health system, issues of healthcare financing, sustainability, and capacity in the ministry, which I thought probably no one-

Q: Which they didn't do. Ultimately, they did but certainly not early on, yes. So, okay, Kenya is chosen as one of the 14 countries and then they set the global targets for number of people under treatment and prevention and care and they set all these global targets. So, that first budget for Kenya must have been quite large when that first allocation, whenever that was, whether it was 2002 or '03 or whenever it was.

TOH: Yes, it came about, yes, '03 or '04. Yes, it was quite big. I think it more than doubled our OYB, if I am not mistaken – about \$100 million, maybe more.

Q: Yes, maybe more, right, yes.

TOH: And we had a CDC person-

Q: The Centers for Disease Control.

Q: Right, because we should say because the decision was made in Washington that this president's HIV-AIDS initiative, PEPFAR, would be managed out of the State Department.

TOH: So, that was a little bit of a surprise given how much understanding the people the Ambassador tasked to be his representatives in this effort had. Of course, there were many meetings. I don't recall much attention given to the longer term implications of sustainability, government or local capacity and institutions

Q: Now, was the CDC person within your health office or was the CDC person independent and there just representing CDC?

TOH: I think she and her husband – it was a tandem assignment – were independent, except when they need logistical support from USAID.

Q: Okay, but those early discussions, it was the CDC and USAID talking about who's going to be doing what?

TOH: Yes. There was- one of the things that usually the ambassador was asked to justify to personnel was the need for additional staff.

Q: So, it was an NSD-38 request-

TOH: Yes.

Q: -but it was a request for a CDC person?

TOH: Right.

Q: But to be working in the embassy?

TOH: I think initially attached to AID. I am murky on this.

Q: Because there is now a CDC office in Kenya and there's a USAID office in Kenya so I'm wondering was the decision made at the outset to have a CDC office?

TOH: No, not initially, if I remember correctly.

Q: No, okay.

TOH: CDC did not have an office until, well, the CDC person in Malawi that used to work in Uganda and she knew the ambassador very well, they were very close. She wanted to come to Kenya when the opportunity came up. There was no CDC office yet. It turned out to be a tandem assignment, too. I think the husband also worked for CDC and then later we had another person. It evolved into a CDC office. And they were supposed to work closely but not necessarily supervised by the health officer, but it's supposed to-

Q: Right, to coordinate closely.

TOH: -coordinate. But maybe after I left or possibly toward the end of my tour they did create an office in Mombasa. I think it was in Mombasa. They spent a significant amount of time commuting between Nairobi and Mombasa, I was told.

Q: Yes. Did the ambassador ever convene a meeting with USAID and CDC to sort out roles? Did he have someone in the embassy to coordinate? How did the ambassador handle this? Because I think it was done differently in every country; some places they asked AID to take the lead, some places the embassy did it themselves, other places there were huge fights between CDC and USAID and I'm just curious what it was like in Kenya.

TOH: AID was not taking the lead in the case of Kenya. The Embassy was. However, USAID PSC person in charge of HIV/AIDS and CDC person ended up in charge of coordination. They would brief the ambassador and me as needed. I remember one of the issues I had was with the level of resources, I was concerned about too much resources

beyond the capacity for the country to absorb them effectively and the health people did not seem to work with the government to strengthen its absorptive capacity. We essentially bypassed the government and local institutions – maybe some small assistance to local NGOs. There was little strategic coherence. But the President’s AIDS Czar and his troops at the Embassy were too busy. The final document if I remember correctly ran close to 400 pages, mostly the listing of grantees or recipient organizations. And then there was a scandal. The health ministry was accused of misusing some resources, - certainly not USAID funds for political-

Q: Some budget support money? Or just their own budget?

TOH: Yes, it’s their budget, or maybe it’s from other donors because our money was protected. So, there was a scandal about the health minister’s misuse of some of HIV-AIDS money for political purpose – political rally, I think. And that got the attention of the Ambassador. I got involved when the ambassador insisted we had to send a message somehow to “punish” the government. One way to do it was to cut funding to some of our activities we were supporting. I was asked to propose activities to cut, that the Ambassador could use to deliver the message publicly. I wrote a memo laying out a few options, but mainly to protect USAID-funded activities. It would be very disruptive. It is not like budget or balance of payment support that is easier to turn off and on the funding spigot. So, I proposed cutting some of HIV/AIDS funding since we had so much funding and the program was not quite fully in operation. Most of the funds were not even committed or obligated. It was not popular. No one would want to touch the Presidential Initiative funds. In the end, we agreed to cut a planned, not yet obligated, activity in the democracy and governance portfolio. The activity had to do with supporting the attorney general’s office. The Ambassador got something that he could use to make a public statement. I heard after the announcement from the chief prosecutor in the attorney general’s office who asked me “we don’t know we have this money.” My response to him was “no, you don’t, but we cut it anyway.” For the record, we later did provide some commodity support and maybe training for the attorney general’s office.

Q: As I recall, in the early days there was huge emphasis on treatment and those were usually done through the procurement process, where big grants or contracts were let to some of the U.S. firms and they went out and basically did the work with local organizations to provide the treatment. Is that what happened in Kenya?

TOH: I think some of that happened. I don’t know all the details. When I left the mission in April 2005, it was still in the early phase of implementation.

Q: Were some of the grants made to Kenyan organizations at the outset? I mean non-profits? No.

TOH: Some, mostly small grants, or subgrants.

Q: Subgrants to local organizations. Okay.

TOH: And CDC kind of really took charge because- in part, because they had only one area to focus. Our health office had other things going on. And quite frankly, I sort of gave up trying to modify the design. We never asked the government, beyond some superficial discussions with the health ministry, how we could help strengthen your ministry capacity, integrating the HIV-AIDS treatment or prevention or social mobilization, raising awareness, integrated into subnational or local governments-

Q: Local institutions, yes.

TOH: -the host country institutions.

Q: Right, right. No, it's interesting that in the early days there were people in AID in Washington making these points. But, it was described as an emergency program; therefore the focus was on the numbers of people treated and numbers of people to whom prevention messages were given and etcetera, etcetera. So, the focus really was very much on results rather than capacity building. But interestingly, over time, because this is now 14 years old, that there is now greater focus on the sustainability and on capacity building. But it is interesting that if AID had had a larger voice at the beginning these issues would have been dealt with at the beginning.

TOH: Yes. That said, I do think some good did come out in both cases of Kenya and Malawi, but we could have done better in terms of lasting and transformative changes. It was a missed opportunity. I hope we learned from the experience.

Q: Yes.

TOH: And there's another issue between treatment and prevention and raising awareness. I think AID's position is- or at least some AID officer at the time were very adamant about not getting into the treatment area but just a lot of prevention. But eventually we did both.

Q: Right, right. No, I think AID was always focused more on prevention than treatment but the president's initiative was primarily focused on treatment.

TOH: Yes.

Q: And obviously that's- there are millions of people now living in Africa because of that focus on treatment so I think the benefits are clear, including people we know. So, we should count our blessings in some way on that program. It's interesting that you were there at the outset and saw how program levels changed. By 2004 or 2005 the majority of USAID budgets in Africa were devoted to HIV-AIDS.

TOH: Yes, South Africa for example, the whole, almost the whole budget.

Q: Yes, almost everything was focused on that.

Let's talk about the Jesuits for a minute because you broached it but maybe if you have a little more detail about what those issues were. I think some was political because of their contacts in the U.S. This can often happen to AID officers; we get caught up in issues that take on a greater prominence than they otherwise would. How did you manage and deal with it.

TOH: Yes. Fr. Angelo D'Agostino, a Jesuit priest. He has been in Kenya since the late 1980s. He wanted to get some assistance from AID to create an orphanage for HIV/AIDS-affected children. But our health officers were against it; particularly they did not like the institution-based approach for the orphans. They preferred the non-institution approach, leaving orphans in the community with their parents, their grandparents if the parents die. Different schools of thought.

Q: By criticizing his plan?

TOH: By criticizing his plan and perhaps insulting him – from his perspective. So, that was the background and that happened in the early 1990s, I think. But surprisingly, when I was there the second time in the program office, he never talked to me about that apparently, he was very well connected with the Kenyan government as well. He also got funding from private sources in the U.S.

Q: From private donors

TOH: Private donors. So, that was the background. So, I knew him, he knew me. When I went back to Kenya the third time, the first thing I did was ask to have lunch with him. It was mostly to reconnect with him. We did not talk about the issue. But he did want to come to USAID to see me. So, we set up another meeting to meet in my office.

Q: The lunch was just social, okay.

TOH: Yes, just reconnecting. We did have a meeting when he raised the issue. By that time he already had some funding. He had founded the orphanage, named Nyumbani Children's Home to take care of AIDS-affected orphans. He asked me to visit his Nyumbani which I did. Fr. D'Ag, as he was known, showed me the facilities. A few weeks later, he invited Pam and me to lunch and I was introduced to this energetic Irish sister, Sister Mary Owen, who was in charge of running Nyumbani. I was trying to make it somewhat of a-

Q: Try to make it social a little bit.

TOH: Sister Mary brought up the issue about not able to work with USAID. So, after lunch I took Fr. D'Ag aside and I told him that if he had issues with the USAID mission, please see me first to resolve the issue before going to Congress or Washington. We reconnected and built up our professional relationships over time. And I explained to him the process of proposal review in the USAID system. The criteria we used to review and

evaluate grant proposals. And I told him that our review process is committee-based, we have all the-

Q: It's not my decision.

TOH: Right. Nyumbani submitted a proposal. The health folks turned it down. The core issue was the institution-based approach for orphans versus the community-based or non-institution approach. I could not and did not try to change anyone's mind in the health office. The second issue was the financial management and organizational capability of Nyumbani, which was in its nascent stage. So, I moved on to the practical side of the proposal. We identified some weaknesses. During all these meetings we involved the controller, the EXO, the admin people. I asked the controller, Rashmi Amin, who was the controller at the time, and he was terrific. He tried to make things go forward instead of just-

Q: That's right; he always finds solutions.

TOH: He always finds solutions within the constraints-

Q: Yes, right, within the constraints, right.

TOH: I appointed a team comprising the Controller who was the team leader, the EXO (the administrative office) and a health officer. I offered to Fr. D'Ag that they would help review how to improve Nyumbani's financial and management capacity to the level in which it met USAID requirements. So, they did that and they came back with some suggestions. We ended up I think providing some small assistance to Nyumbani with the conditions that they adopt the team's recommendations. We did not address the first issue. In a way, we postponed the issue. We did not just turn down the proposal. Fr. D'Ag was very appreciative that we at least offered to help strengthen Nyumbani's organizational and financial accountability capacity.

Q: So, you ended up doing a small grant to them but with a lot of help and strengthening probably the organization at the time.

TOH: Yes, I think we did. Kudos to the team.

Q: I suspect that ultimately under PEPFAR they might have gotten more resources because there was money for orphans and vulnerable children as part of PEPFAR so you may have gotten them prepared to be able to take more money under-

TOH: Yes. That's exactly right. I went back to Nairobi a few times since I retired in 2005. One of those times, I went to Mass at Nyumbani and ran into Sister Mary who was still going strong, and she filled me in about Nyumbani since Fr. D'Ag's passing in 2006. The institution has expanded. It got PEPFAR funding and private donor support as well. I believe it is working well with more activity or projects.

Q: Right, no, and that's-

TOH: -and for results, yes.

Q: Results, yes.

TOH: I think a lesson learned is once we move away from this very opposite kind of belief, which system works better, and to me, the empirical evidence is not always clear.

Q: Right. No, and I think people are realizing that now. And we've talked about this a little bit just the other evening with a mutual friend of ours who does a lot with child protection and he argues for a more nuanced approach to that issue of institutions versus non-institutions, so yes, there's room for both.

TOH: Right.

Q: I'd always heard stories about Father D'Agostino from various people who've served in Kenya.

TOH: Well, he can be very persistent and tough.

Q: That's a good story.

Let me just ask one more question about HIV-AIDS in part because it became so political in Uganda, for example, where President Museveni and his wife became very active from their religious point of view on prevention issues and condom distribution. Political leadership in South Africa was also problematic. I don't recall ever hearing that being a case in Kenya. Was the government always supportive of the efforts on prevention and treatment across the board?

TOH: I think so. I believe that at least there's no kind of punishment like in Uganda.

Q: Yes, right. Kenya's always been a little more liberal?

TOH: Yes, they seem to be- I compare them kind of like the Thais – somewhat laidback in this issue, my personal view which could be completely wrong.

Q: No wonder you like Kenya so much; there's a link to Thailand in terms of attitudes. And is it also a slightly more secular state, for example, than Uganda?

TOH: I don't know, maybe relatively speaking.

Q: Let me- looking at your CV there's- you mention the Millennium Challenge Corporation, which also began under President Bush.

TOH: Yes.

Q: And so, there must have been early discussions in Kenya although you probably did not qualify for a compact because of governance and corruption concerns, but was there discussion about what they referred to as-

TOH: Threshold.

Q: -the Threshold Program and could you talk about that a little bit?

TOH: Right. I was more involved in the Threshold Program in 2004. I believed that Kenya should be part of the Threshold Program given that Kenya in 2003 had a new government. The Moi government was replaced by the government of the opposition party, President Kibaki. In fact, President Bush even invited Kibaki to the White House, as a show of U.S support. Potentially, there was room for reform.

Q: Okay.

TOH: I thought they could use the resources for some of the economic reform activity which will also support or complement the IMF program on good governance.

Q: Right.

TOH: I discussed with the new permanent secretary in the finance ministry with whom USAID worked quite well when he was the permanent secretary in ministry of agriculture. I encouraged him to submit a proposal for the MCC threshold program. He eventually submitted the proposal that built on the IMF program focusing on strengthening financial management and public accountability, as well as procurement system. This was under the Kibaki government.

Q: Because the submissions were to USAID because USAID was managing the Threshold Program for the MCC. Okay.

TOH: Yes. He submitted the proposal and we submitted it to Washington with our endorsement for consideration. I thought it was a very decent and strong proposal. USAID/Washington sent a one-person team to Kenya to discuss the proposal. I could be wrong about the sequence and timeline on this. I think initially it was not approved, but later it was approved in 2005. By that time I had left Kenya already.

Q: Yes, I think it's interesting because you were seen as being someone who always thought there was possibility to work constructively with the Kenyans, but throughout your multiple terms there was always a strong view on the part of some of the major actors to not give Kenya a chance. That was a battle you constantly fought.

TOH: Yes. One of the problems I had with the MCC approach was its cookie cutter or blueprint approach. They assigned scores to some selected indicators of a country and tried to make decision on whether to approve a proposal based on -

Q: The metrics.

TOH: Yes, MCC loves metrics. I have nothing against quantitative indicators. They are helpful in the hands of the right people who understand these indicators, who know how these indicators were derived, know the limitations. These indicators tend to be backward looking. My understanding is the Threshold Program is supposed to identify countries that have potential and evidence of commitment to implement reforms. The indicators should be more forward looking – ones which are difficult to come by and requires informed judgement. I would love to see an independent empirical study of how well the cookie-cutter-cum-metrics approach has turned out.

Q: So, you're saying that there should be more subjectivity though on the ground knowledge of the countries.

TOH: Well, not necessarily subjectivity, more in terms of informed judgment in a country specific context. The quality of governance of a country is more difficult to quantify. I do not think that the person visiting Kenya at the time was well equipped to do that. He was there for a day or two – I supposed on the way to South Africa, maybe. It was a perfunctory review.

Q: But I think the State Department in general has had a very strong position on Kenya for a long time.

TOH: Yes.

Q: So, everyone has just kind of grown up with that attitude, I think, in the State Department. Yes, that's interesting. Let me ask you about something that when I was back in Washington during that period that I was brought into and I'm just wondering if you have any perspective on it. That was the controversy about a new housing complex in Kenya that was sort of on a hillside and there were a number of USAID people, perhaps from the regional office, who were concerned about the security in that housing complex. Was that something that you were brought into or not? Do you think that the issue was overstated? And I'm not even exactly sure what happened in the end. I know that I was brought into it and we raised some concerns with the State Department but I'm not sure whatever happened.

TOH: Yes, in my view the issue was overstated – in part because we had a new Ambassador and a new USAID regional director. The decision regarding the construction of this new complex was made by the previous Ambassador and State Department I think nearly two years before the arrival of the new Ambassador. Actually. When I first arrived in 2001, two military generals visited me in the office and they told me about the housing compound project – I don't remember how it came up. I just filed it away as useful information what I learned since it was already decided by the State Department. I assumed the Embassy security people, and the Ambassador and Washington knew what was good for us in terms of security.

Q: What did the generals have to do with building this housing complex?

TOH: I don't know for sure.

Q: Was it originally for the military attachés or something?

TOH: No, they included Embassy and USAID too.

Q: So, the new Ambassador he was more sensitive to the concerns that were raised by-

TOH: I guess the USAID Regional Office was really on it with the new Regional director who had just arrived at post. So, the Ambassador went to Washington, hoping to get the decision changed. I thought he was making a mistake. I told the Ambassador privately that I would not bet on him winning. And he knew the odds were not good. The ground was already broken and the project was proceeding.

Q: The ambassador sent something to Washington, he lost; then I think that's when I was approached. So, we in Washington sent a message to the security people to say they should relook at it. But I assume it was still rejected and the complex went forward and people lived in it and everybody was happy thereafter.

TOH: Well, I'm not sure they were happy or not. They accepted it. But no, the ambassador did not just send something in; he went to Washington armed with arguments to persuade Washington to reverse the decision.

Q: Okay.

TOH: When he came back he told us that his request was turned down by State Department in Washington.

Q: Yes, I'm not sure at what point we in AID intervened but to no account. Yes. Okay, well that is probably not very important; I was just curious about it since I had gotten involved a little bit. So, okay, good.

TOH: Yes, and when I was in Nairobi four, five years ago and stayed at a USAID education chief's townhouse in the complex, I found it was quite nice with strong security. All the trees had grown. The earlier concerns did not materialize. I think at the time some people just simply did not like the idea of living in a housing compound. I suspect the people who are living there now may not even be aware of its history and the issues involved. And incidentally, there are now more private apartment buildings and a new, big shopping mall further down the road.

Q: So, anyway, but it turned out to be fine.

Okay, we are resuming. So, Kiert, any final thoughts you have about Kenya? And I guess maybe one sort of general thought was you were in Kenya three times, comprising about 10 or 11 years, and just your thoughts on the Kenya government, its commitment to economic reform and the change you saw take place over a 15, 20 year period. Do you think it was a government that we should have been supporting more over the years to help them implement reform.

TOH: That's a difficult what-if question. Let me put it this way. Despite the harsh rhetoric from Washington of not supporting the government many of us in the field never really stopped working with the political leadership, the professionals in various government ministries or agencies, and other public institutions. Those of us who have lived and worked in the field missions know well that governments are not monolithic. There are reformers in the government as well as rampant rent-seeking behavior, and political corruption. The same thing in the private sector and in nongovernmental organizations, and even in donor organizations. For example, in Kenya we had a case where a World Bank employee took kickbacks from private contractors, I believe in an infrastructure project. It was ironic, however, when we bypassed government by programming USAID funds directly to NGOs or contractors, these NGOs and contractors often worked with their counterparts in the government as necessary. In effect, they are our agents. Some of these NGOs, particularly large American international NGOs in sectors like health, population, democracy and governance would mislead and gave the impression to the government that they were "donors", when in fact the real donor is the American government and American taxpayers.

Despite Kenya's checkered record in democracy and governance, one of the most successful aspects of the USAID long-term investment in development is local capacity building and institutional development. The focus of energies and investments in these two areas positively affected every sector of development that USAID supported. Most importantly, the professionals and the institutions we invested in have, in turn, facilitated a long-term perspective on development, an acceptance of the need for sustained investment, and conditioning it the exercise of patience. The success, in no small measure, is due to continuity: a long-term commitment to stay the course and have patience with development investment that works.

Because I can see that we want to have effective policy dialogue. Sometimes it requires the other side to share a common frame of reference, values, and speak the same language. I think results from USAID support in activity like participant training and human resource development matter. For example, Wangari Maathai, the late environmental and political activist who bravely fought the Moi Regime, founded and led the Greenbelt movement, a political and environmental nongovernmental organization. She is the first African woman to be awarded the Nobel Peace Prize for her courage and leadership. She was one of the beneficiaries of USAID participant training support. There are many others, but she's the most obvious-

Q: Representative of other people.

TOH: Yes. So, I think the long-term institutional and capacity building is a good thing although it's difficult to measure or quantify, particularly in the short term. Despite all the issues we have had on the political front with the Kenyan Government, governance reform and progress in democratization continues – occasionally, two steps forward, one step or one step-and-a-half backward. Over time I think more representative government slowly has emerged. The seeds have been well planted in Kenya today, for example with its new constitution, devolution of authority to subnational governments, the creation of a more effective and efficient tax system – the value-added tax more than a decade ago. USAID assistance has played a role in all these reforms and institutional development. It is still work in progress, but I'm quite confident that these changes will endure, not always in a straightforward-

Q: And not always smoothly but it is stronger.

TOH: Yes, it's stronger.

Q: It's certainly better than the Moi period.

TOH: Right.

Q: So, when you- we've gotten to sort of end of April 2005 and I believe that's when you decided to retire from USAID. Is that correct?

TOH: Yes, it was a family decision.

Q: Okay, okay. So, a family decision was made to retire and to return to Washington, D.C. And then I know then you've been very busy since then so the last 12 years you've been equally busy and done a lot of different kinds of consulting work. Perhaps you can highlight some of those, including some work with the World Bank to help them think through how to coordinate more effectively with USAID. Can you share any thoughts, both for USAID and the Bank on how that can be done more effectively.

TOH: Well, it was kind of an interesting assignment. My primary task was to interview a selected number of Bank and USAID staff and get some feedback from them about how both institutions could improve their coordination. This was the time when the Paris Declaration on Aid Effectiveness had just come out and the Bank just had a new president. It touched upon some of issues, such as budget support, how to improve partner country's ownership, alignment, and harmonization. The report was supposed to be informing the Bank to get closer to USAID and vice versa. Now, I guess you want to ask-?

Q: Were there any major recommendations that you can share with us? Or if not then fine. Maybe it was a secret document.

TOH: No, it's not a secret. One of the recommendations was about how aid was delivered – different modalities. The Bank staff that I worked with strongly believed in general

budget support. They saw it as the best way to promote the partner country's ownership and also put the partner country in the driver seat for donor coordination. For USAID, as you know, general budget support was out of fashion. That posed the challenge for better coordination between the Bank and USAID. In some countries, it made the coordination more difficult between the Bank and USAID. Some country representatives may decide not to include USAID if USAID is not part of the budget support-

Q: Of the basket, yes.

TOH: Yes, the basket thing, we're not going to invite you. In Kenya, we did quite well. We were not participating in any basket funding because legally we could not co-mingle our funds with those of other donors. So, that was one of the things I tried to talk about as part of my recommendation. I came down to the point that maybe there is not much of a difference, although budgetary support does provide ownership, make it easier for the government to own, but it was not the ultimate goal and if project-aid was used -

Q: Yes, how does it fit into the larger picture.

TOH: Right. And so, that one recommendation. The other recommendation, I think, was about the use of NGOs. The World Bank thought we relied too much on NGOs; they preferred to work with the government. They think that USAID over-use NGOs.

Q: Right, although in some places, like the Congo, for example, church organizations and NGOs provide most of the social services. In that case, you'd have to go through the non-governmental sector.

TOH: Yes. So, that's the other kind of issue. I think- I probably worked at the Bank at a wrong time because they had a new president who is American with limited experience in development. He also pushed very hard on corruption issues and the Bank staff did not like the way they were told to do so -- as if every country is corrupt. The new president did not last long. He resigned in less than a year.

Q: Right, right. But it sounds like you made some useful suggestions and ones that should help USAID officers to explain the constraints in which they operate and thus find a way into the country donor coordination mechanisms, even when they are centered on budget support/basket funding.

TOH: Maybe.

Q: Thank you very much. And we were looking at some of the other consulting assignments. We talked about one of them in South Sudan which was just coming out of conflict and you were there helping them look at economic reform. Can you talk a little bit about that assignment and any thoughts you have on economic reform in a nascent country coming out of conflict.

TOH: Okay. One of the items on my scope of work was to look at the big drop in the price of oil and how did that affect the fiscal situation. At the time, South Sudan was not an independent country, it was still part of Sudan.

Q: But you were in Juba?

TOH: I was in Juba, the annex to the mission based in Khartoum.

Q: Yes, right.

TOH: It had a program officer in charge. So, I went there because of a big drop in the price of oil and the significant increase in the fiscal deficit. The mission wanted an economist to analyze the potential fiscal situation, review and summarize some of the reports, particularly the IMF prediction. And then the next thing I was asked to do is to discuss with government officials to understand the budget and the budgeting process and to-

Q: The Sudanese budgeting process?

TOH: The South Sudan budgeting process.

Q: Okay.

TOH: And so, I looked at how they organize the process, attended all the meetings and reported to the program officer. I was also asked to represent the mission in the donor coordination group. Primarily as an economist assisting the program officer. USAID was not sufficiently staffed and did not have a program economist. I essentially worked as another regular mission staff employee, not just-

Q: Right. So, it was almost as if they contracted you to do something-

TOH: Under a service support contract with MSI (Management System International).

So, what I did, even it was not in my scope of work, I wrote a report outlining a broad agenda for USAID engagement in policy dialogue and reform based on my four-weeks in Juba, and the empirical literature I was aware of on post-conflict or conflict-affected countries. I gave the paper to the program officer. After our discussion, he added a few more days to my contract and asked me to make a presentation in Washington. I was glad that I wrote the paper as a deliverable, something more substantive, rather than just simply a trip report. Technically speaking, the trip report was all that was required to meet my contractual obligation. From a strategic and programmatic point of view, it was an interesting case study. I think it is still quite relevant as a lot of aid funding has been going into what the OECD called “fragile states” in the recent years. Another issue of interest at the time was the budgetary process and the use of budget support under the “trust fund” arrangement by donors following the Paris Declaration approach to encourage ownership, alignment, and harmonization.

Q: Can you say a bit more on this?

TOH: Right. One of the issues was the budgetary process and accountability. The budget support under the Trust Fund arrangement did not work out well. There was a lot of leakages. USAID did not participate in the Trust Fund. Many European donors, the EU, and I think also UNDP were the main donors. The World Bank managed the Fund but did not put its own resources in the Trust Fund. These donors had good intention. They followed the Paris Declaration recommendations. The pre-independent South Sudan was a kind of an experiment that turned out badly in terms of results and accountability. South Sudan simply did not have the absorptive capacity, and the political leadership was corrupt.

USAID provided high level technical assistance team for the office of the president, the branch of the central bank in Juba, and the budget office. I had a lengthy discussion with three of them: one in the budget office, one in the branch of the central bank; and the third in the office of the president. Our TA in the budget office worked out very well and effective. She was a South African, very dynamic and energetic and had an excellent Sudanese counterpart who used to work in Khartoum. She helped them prepare the budget, budget planning and allocation. The other two advisers were not used well because they did not have effective counterparts. There was also the trust issue, especially with the central branch in Juba. The deputy governor was not ready to share with USAID-funded TA sensitive information related to all the foreign exchange transfers and other transactions. They are high paying technical assistant and they were not happy. USAID had good intention but unrealistic expectations and did not have adequate monitoring and slow to change.

Q: Right, yes. So, if it's not working then take the people out, don't leave them there for a long time.

TOH: Yes. But on the other hand, we had a lot of money. How do you use the money? That's like having too much money looking for activity to support instead of having good programs looking for resources.

Q: Right.

TOH: And then another issue that was interesting: the use Sudanese diaspora.

Q: Sudanese diaspora?

TOH: Right. Another good intention that did not pan out as intended. The idea of having Sudanese diaspora TA to come to South Sudan was because they would understand the culture. It was a good idea in general. However, in the Sudanese context at the time, these Sudanese TA did not really want to travel and work outside Juba.

Q: They were a little too Americanized.

TOH: I was told by an American education-sector TA who was quite critical of the Sudanese diaspora TA team from the U.S. She told me we – meaning USAID – should not just put a lot of money when we did not have some, at least some better understanding and some way to see that there is a chance that what we do will make sense. I interpret this as a lack of good project design. And again, too much money trying to look for good idea to support quickly.

Q: Right. And it may or may not work and if it's not working have the flexibility to make changes as you go along because when you bring people out for a year or two you get a little bit stuck and you need more flexibility in how to use people basically.

TOH: There was a lot of pressure on doing something in South Sudan to prepare it for independence and overly reliant on a single individual political leader – John Garang who died in a plane crash not too long after independence.

Q: Yes. And this is where it might be better to start off small; see what works and then build on what works as opposed to committing too much money upfront for something that may not work.

TOH: And then a lot of leakages from South Sudan to help fuel the real estate boom in Nairobi at the time. This was under John Garang's leadership in whom USAID placed a big bet.

Q: Complex, complex issue but one certainly AID is still learning how to try to manage. So, I think your thoughts will be helpful to them so that's good. Let's sort of move on because then you did other consulting assignments intermittently over the years but you were also involved in academia, both at Radford University and Duke University. And if you'd talk a little bit about your experience in academia and teaching and the interest in universities and students and development and international affairs and your experiences on the academic front.

TOH: I enjoy what I'm doing now. To me, it is the best job to follow the Foreign Service. Teaching is not new to me. I was an economics instructor at the University of Maryland, College Park for five years before I graduated. The second time back was even more rewarding. I learn from our current, challenging generation – the intellectual challenge and constant learning. I also like the flexible schedule of having summer off for study, research, occasional consulting work, and travel. I was lucky enough to be able to sustain my professional interests in international development, foreign aid, public finance, and Africa through my association with the Duke Center for International Development. My association with Duke and Radford University has helped keep my interests in study and research related to Africa.

Q: And the participants in this program at Duke were all from the developing world, right?

TOH: Yes, occasionally some from the World Bank, African Development Bank, UNDP, DIFIT, JICA, for example.

Q: Okay but basically from governments around the world.

TOH: Yes, and most of them are mid-level government officials.

Q: And at Radford you're teaching public finance, you told me earlier.

TOH: And global or international economics.

Q: Global economics.

TOH: The course is called global economy and business. International economics with an emphasis on business. And one of the interesting things about Radford's economics department is we also offer special topics in economics that faculty can develop on her own. I had offered, for example, economic development in Africa, the economics of the public sector, comparative economic systems, history of economic thought.

Q: Well, that sounds great. You're in the southwestern corner of Virginia so I'm expecting that your students don't have a huge interest in international development but there probably are some who are and that must be satisfying.

TOH: That's correct. It is a challenge. I keep my expectation in check. My benchmark: if 20 percent of them are interested, I am satisfied. I usually have on average about 100 students per semester. So, if I got 20 of them showing interest, curious about some of the issues, I am okay with that.

Q: That's a fantastic result, actually. Well, that's great. Well, it sounds- Let me think about winding up but let me just ask you one last question. During your AID career, you were known as someone who, in all of your postings, was heavily involved in economic policy reform programming and dialogue with government. What kind of advice would you give to a first-time mission director on how to really engage in policy dialogue with host country government officials?

TOH: Excellent question. Maybe a few general observations and thoughts. I think broadly speaking the mission of USAID development and humanitarian assistance can be divided into three categories. First, the delivery of goods and services – such as building schools, health facilities, roads, distributing seeds, fertilizers, providing drugs for HIV/AIDS treatment, bed nets to control malaria, carrying out immunization, delivering health equipment, textbooks – often through contractors, nongovernmental organizations, and universities. Second, engaging in policy dialogue and reform, which involves ongoing discussion about policy changes among development professionals, local NGOs, civil society leaders, government officials of different ministries, agencies national and sub-national levels, and even heads of states. Third, strengthening or building local

institutions – government, the private sector, nonprofit and civil society – that can be sustained over time.

The first mission whose results or outcomes can be easily measured and quantified to evaluate the effectiveness of the assistance. It can be easier under the control of the USAID project or program managers. Able to quantify outcomes also lends itself well to the logical framework (LOGFRAME) concept that has been emphasized by USAID and touted as the greatest innovation to guide evaluation and focus on performance indicators and results.

However, these innovations are facing changing priorities in the 21st century. In recent years, there was broad consensus among development professionals that more emphasis should be given to the second and third missions of development and humanitarian assistance – building sustainable local capacity, institutional change, governance and the need to engage in policy dialogue and reform. Today’s USAID vision of *Journey to self-reliance* is a good example of this. Blueprint approaches provided by the logical framework concept do not readily adapt to these areas of activities. Policy dialogue and reform, local capacity and institutional building are often neither easily quantified nor very visible. They also require a continuing long term horizon to achieve results. Furthermore, they are not easily under USAID control. They require the leadership and cooperation and agreement in host countries. In short, an effective partnership relationship; rather than the donor-recipient relationship. For this reason, activities in these areas tend to be underfunded and avoided. Yet, they are the most important for long run, transformational development and state building.

What does this mean for mission director? We should make use of the in-country presence comparative advantage by making good use of: local resources such as mission’s FSNs and their institutional memories; responsible host-country government officials, outside government contacts; and relevant local institutions or organizations. AID directors should spend more time out of the office, meeting stakeholders, and less time in the Embassy or the office. Develop what the Chinese call *guanxi* in the world of business. It is about developing and managing external relations that can strengthen aid coordination, and host-country ownership of AID activities, program, and policy dialogue.

Q: With a wide variety of counterparts.

TOH: Yes. And, as you know very well, it takes time and efforts to accumulate social capital – such as, trust and mutual respect. In Malawi, my first time as mission director, I benefited greatly from the *guanxi* created by my predecessors. They laid a good foundation that allowed me to continue to work with the Malawian government and other stakeholders in our policy reform programs, even when there were disagreements. In Kenya when I went back in 2001, I benefited from the professional relationship from my previous tours in Kenya, one in the 1980s and the second in the 1990s, and from FSN staff, as well as USAID past investment in training, in nurturing and sustaining local capacity and institutional building.

Q: That's an important thought.

TOH: That brings me to a related point. I think Washington should provide adequate and appropriate staff to the mission: for example, the role of deputy mission director. Perhaps, this reflects my own experience at the time. Washington eliminated the position of deputy director in many missions. The *Journey to Self-Reliance*, USAID's present strategic vision, is more labor-intensive operations than the delivery of goods and services. If the mission director must devote more time and efforts to ensure that our assistance is effective, managing the external side of the aid mission is necessary. The ability to delegate internal, day-to-day management responsibilities to her deputy would be well justified the required investment. If the Trump's administration is serious about the *Journey to Self-Reliance* mission, it needs to protect the foreign aid account, both program and OE funds, and drop the silly idea of merging all or parts of USAID into the State Department, as proposed by the former Secretary of State Rex Tillerson. Fundamentally, diplomacy and development, though can be complementary, are inherently different in their missions, targets, how success is measured. Diplomacy is about maintaining favorable economic and political relationships abroad; it tends to be short-term orientated and transactional. The mission of development is about saving lives and support for long-term equitable growth and poverty reduction; it tends to be concerned with long-term transformative and sustainable changes. The targets for diplomacy are political leaders and citizens where geostrategic and foreign policy interests are most significant. The targets for development are populations where potential impact on poverty, human suffering, and human development is greatest. The success of diplomacy is measured by the strength of the relationship with the U.S. and support for U.S. political priorities. The success of development is measured by the progress in terms of saving lives, reducing poverty, and enhancing equitable, broad-based economic growth.

Q: That's a very important point, that Washington owes it to the mission director to provide that internal management.

TOH: Exactly.

Q: Do you think that email causes people to get captured in their offices?

TOH: That's a very good question. Perhaps, yes.

Q: And that they end up spending more time answering emails and sending emails that you become a captive of your computer.

TOH: Right.

Let me just- one final question since you mentioned FSNs a minute ago and since you started your career, albeit only for 18 months working as a clerk and worrying about

housing issues for Americans in Bangkok, and ended your career as a mission director, any sort of final thoughts about the role of FSN in USAID.

TOH: I'm a little bit biased on this.

Q: That's okay, bias is permitted.

TOH: I think we should maximize our comparative advantage of having strong field presence – whether revealed or potential comparative advantage. Using local talents or local capacity is one way to do it. FSN staff with their institutional memory, experience, local language and knowledge of culture and norms are extremely valuable. But we also need a certain level of checks and balances – a certain level of accountability to prevent conflict of interest.

Q: That's right, and they're under external pressures that we may or may not understand.

TOH: Right. Some of them have the ambition to run as a politician, as an MP, and so they may be tempted to use AID-supported project or activity to curry favor in a certain political environment.

Q: Right, right. One needs to be aware of those things.

TOH: Right. So, even though I generally fully support of FSN or using local capacity one way or the other, we also must recognize the possibility of a conflict of interest. I learned a lot from FSNs in all my overseas postings. Some of the experienced FSNs who have good networks of contacts both in and outside the government can give us different perspectives that we may have overlooked.

Q: Yes, thank you. Well, that's a great summary. So, let me sort of close off for now. Thank you again for the chance to interview you. It's been very interesting and will be valuable to a lot of people. Thank you.

TOH: Well, thank you, Carol. And it's an honor to have a chance to talk about it.

Q: Okay. We'll close on that cheery note then. Thanks.

End of interview