

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

DAVID MCCLOUD

*Interviewed by: John Pielemeier
Initial interview date: April 13, 2018
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This oral history transcription was made possible through support provided by U.S. Agency for International Development, under terms of Cooperative Agreement No. AID-OAA-F-16-00101. The opinions expressed herein are those of the interviewee and do not necessarily reflect the views of the U.S. Agency for International Development or the Association for Diplomatic Studies and Training.

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 Third World First
 Suva, Fiji
 U. Wisconsin Land Tenure Center
 Bill Thiesenhusen, Professor, Land Tenure Center
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INTERVIEW

Q: This is John Pielemeier on April 13th, Friday the 13th. We’re going to be interviewing David McCloud, who is a long-time USAID (U.S. Agency for International Development) employee. When did you retire, David?

MCLOUD: In 2015.

Q: In 2015. David, I’m going to ask you to start off with a little bit about where you grew up, and what led you towards working in international affairs?

MCLOUD: I was born in Pittsburgh, Pennsylvania, but after about 18 months, my parents moved to southern Indiana, just across the river from Louisville, Kentucky.

Q: I’m from southern Indiana, too.

MCLOUD: Ah. New Albany, Indiana, is where I grew up.

Q: Very, very southern.

MCLOUD: My father worked for U.S. Steel, and they transferred him there. He was there for about 10 years, so my first 10 years was in New Albany. Then the family moved back to Pittsburgh, me with a bit of a southern accent I learned from my friends. Went back to Pittsburgh, and I lived there until I graduated from high school and went off to Trinity College in Hartford, Connecticut.

Q: Why did you pick Trinity?

MCLOUD: It was a popular college where I went to high school. I wanted to go to New England, I had decided. I looked at different colleges. I looked at small liberal arts colleges - I didn’t want a big university. My brother is about four years older than I am. He also had gone to a New England college—Williams College in Massachusetts. We

had relatives in Connecticut. Trinity had a good reputation, and they accepted me! All that put together, that's where I went.

One amusing thing is that my father did accounting as an undergraduate, before getting a law degree. My parents liked Trinity College, but only learned, I think, after my first year that Trinity didn't even offer an accounting course, let alone a program, so there went the idea of their son becoming an accountant, which I never had an intention to do in any case!

Q: What did you major in?

MCCLLOUD: I majored in political science. When I reached my senior year, I was very interested in African studies and in East Africa, in particular, and wrote an honors thesis comparing "African socialism" as practiced in Tanzania and Kenya.

My interest in Africa came about during my junior year at Bristol University in England - my second year of schooling in England. Earlier, between high school and college, I participated in an exchange program run by the English Speaking Union (ESU). and spent a year at Worcester School in Somerset England. I really enjoyed that year, and was fortunate to be able to do my college junior year at Bristol, also in Somerset.

My coursework at Bristol was in politics and economics, but outside of courses I made friends involved in a group called Third World First - sort of an advocacy group for developing countries.

Q: What year would this have been?

MCCLLOUD: That was 1971. We were also in the midst of Vietnam and the draft.

Q: And you were avoiding that?

MCCLLOUD: Well, I wasn't avoiding it. I was going to college. In any case, I went to Bristol for the year. I did one course in African studies, but mainly European studies. It was when the European Union and European Commission were really getting going. It was fascinating to study that topic in Europe. But my Third World First engagement was a lot of fun. We even tried to raise enough money to drive to Tanzania, but we didn't raise enough. It was fun trying. Gave us opportunities to sit around with cider and beer and talk about things.

I returned to Trinity for my senior year. As it turned out they had an instructor that year from Kenya teaching political science courses on Africa. I did a course with him, and worked with him on an honors thesis for my senior year comparing development theory—development philosophy being displayed by Tanzania versus being displayed by Kenya—because there were two very, very different models of development going on, both expressed in terms of African socialism partly because of the politics of the day.

Q: Were you able to travel there?

MCCLLOUD: No, I didn't have an opportunity to travel then. However, later on as part of my graduate school program, I had a Fulbright research fellowship and did research in Tanzania for a year. But for my senior year honors thesis project, it was totally library research. It was fascinating to learn about African socialism, to look at how Tanzania and Kenya interpreted it so differently, and how that led to very different development models. Tanzania was criticized for spending a lot on social programs, with critics saying, "You can't do that. You have to do the economic ones first, and then you do the social ones." Tanzania even made Swahili the official national language, not English. It turned out to be a smart idea because it helped the country become a true nation. Kenya pursued a very different trajectory and continues to have much more significant ethnic clashes, fed by the political system. That's how I initially became interested in development.

From Trinity I went to UCLA (University of California, Los Angeles). They have a master's program in African studies. I was there for about three years. I also did a master's in public administration during my final year there, partly because I loved living in LA, so I wanted to stay there longer, and had funding to do so. It's also where I met my wife, Roberta Mahoney.

Q: Oh, really?

MCCLLOUD: We met first at a research desk in the library, which was quite telling. She was in an urban planning program. Then we ended up being in a course together. We got married on the UCLA campus.

Q: While you were both graduate students?

MCCLLOUD: At the very end of our graduate program, literally during the summer after we finished our programs, and then drove back to the East Coast where we are from and started looking for jobs in the international field. We went to Washington, DC, and New York City, pretty much knocking on doors of non-profit international development organizations.

Q: [Laughter]

MCCLLOUD: We had few contacts. What we found was that only two organizations would hire people to go and work on a long-term basis overseas at that time, without having had overseas experience. All organizations found that it cost them, at that time, between \$30,000-\$50,000 simply to place somebody overseas. If the person couldn't make it, the organization lost that investment. CARE and Peace Corps were the two organizations willing to take on people without experience. CARE was a career-oriented organization - they hired you for the long term and were willing to invest in you. Peace Corps, of course, was established to provide Americans with experience. In the end, we

decided on Peace Corps - we would get to travel, make some money, not really much, but would get overseas experience, and it did not tie us down for the long term..

So we went back to Pittsburgh, stayed with my parents, and applied to Peace Corps. This was a time when you could apply for specific positions in Peace Corps.

Q: Oh, really?

MCCLLOUD: Right. You didn't just apply and let them decide on where you go. They told you what positions they had, and you decided whether to apply for one or more. We found one position for my wife, and I accompanied her as a "non-matrix spouse." Where we went was Fiji.

Q: Oh, my goodness.

MCCLLOUD: Right! At the time we could not find any current books on Fiji, All the books we got were historical - what Fiji was like when it was colonized by the United Kingdom. In any case, we decided this would work. Roberta's job was to be in the central bank, and I was told that I could find a job when I got there. As it turned out, a few days prior to our leaving the US we were told that her central bank job had been cancelled, but that we still could go to Fiji as volunteers and sort out positions after our arrival. Soon enough, I found a job in the ministry of finance through a contact I had made with a British volunteer, and Roberta found a position first with the urban planning department, and then after a year also joined the ministry of finance.

Q: What was Fiji like? It had been independent for a while?

MCCLLOUD: Fiji gained independence in 1970, so about seven years before our arrival. We were there 1977-1980, having agreed to stay an additional year beyond the typical two-year Peace Corps time period. At that time, just over half the population was of Indian origin. Indians first entered Fiji as indentured laborers to work the sugar cane farms, and later entered more of their own free will and often became shopkeepers and other business owners. They pretty much dominated the small business commercial part of Fiji economy, with Australian and New Zealander companies dominating larger scale companies.

The constitution was written such that it was virtually impossible for a wholly Indian political party to control the government. The composition of their house of representatives by the constitution was skewed toward indigenous Fijians. If a primarily Fiji Indian party were to control the legislature, it had to have significant indigenous Fijian support and candidates. It was in this environment that there were two coups because the army was controlled by indigenous Fijians, and they didn't particularly like having Fiji Indians running the country. The social environment was just fascinating there. Added to this situation, there were ex-British civil servants often in charge of government departments. My boss was an ex-British civil servant. MacKenzie was his name. That was an experience. The Peace Corps was an experience. Our nurse was

indigenous Fijian. Her husband was Fiji Indian, a journalist. There were very, very few interracial marriages at that time, so it was interesting seeing that.

Q: What is the name of the capital?

MCCLLOUD: Suva. We lived in Suva. We had a different Peace Corps experience than a lot of other volunteers had.

Q: You were administration?

MCCLLOUD: We entered with a technical group. There were only 13 people in our group, and we were placed in ministries in Suva, or at the university.

Q: Mostly in Suva?

MCCLLOUD: We were in Suva the whole time.

Q: The whole group of 13?

MCCLLOUD: The whole group of 13 was in Suva. When we arrived, Fiji had not just the most volunteers per capita, which they easily had given the country's low population level, but also the most volunteers in absolute numbers of any Peace Corps country. There were 300 volunteers. There were a lot of teachers. They lived mostly in rural areas.

It was a fascinating experience. We got see an interesting development situation, in particular the impact of external economic influence on a country's development. Fiji also was reliant on international organizations. The head of the central bank came in from the IMF (International Monetary Fund), for example. But they were developing Fijian expertise at the same time. For example, I replaced a Fijian sent off for two years to get a master's degree in Australia. That's how they used Peace Corps volunteers. They used us to replace their own staff whom they were training to move into higher level positions. It was fun to be part of that experience..

Q: In Africa, we call those operational experts, OPEXers. Same process.

MCCLLOUD: Yes. It worked out fine for us professionally, and personally. We ended up living in an air-conditioned, two-bedroom apartment, something we had to keep quiet from our Peace Corps Volunteer friends!

Q: No pool?

MCCLLOUD: No. But there was a nice YMCA (Young Men's Christian Association) pool. I learned to swim there. I didn't know how to swim when I went there. We had a friend who had a sailboat. My wife told me she would not allow me to go out in the sailboat unless I learned how to swim. So I learned.

Q: Did you travel around the region?

MCCLLOUD: We did not travel around the region. We did travel around the Fiji islands. There are probably about 100 that are inhabited in some form, a lot of small ones. We did a wonderful cruise when my parents came to visit - the Blue Lagoon Cruise on a boat with about 25 cabins. We also traveled for work around the Fiji islands.

We then took a nice trip at the very end of our three years, a three-month trip up through Asia, into Africa, into Europe, and then back to the US. We saved up for that instead of doing the Australia-New Zealand travels that many of our volunteer colleagues did while in Fiji.

Q: That sounds like a great three years. As you were thinking about leaving, did you decide to go back to Washington, or were you thinking about what was going to come next?

MCCLLOUD: No. We knew we wanted to go on in the development world. We were told if you really wanted to succeed, you should go back to graduate school and do a Ph.D. So, we applied to different programs at the University of Wisconsin in Madison, and were accepted. Roberta entered to agricultural economics program, and I entered an experimental interdisciplinary Ph.D. degree in development studies, administered by the Land Tenure Center, known well by many of those in USAID's Latin America bureau because the center did a lot of land tenure work in that region.

We were in Wisconsin for three years. We moved from the South Pacific, nice and warm—too warm, too moist, too humid—to Wisconsin. There were more mosquitoes in Wisconsin when we got there than we had in the South Pacific. The weather our first year in Wisconsin was just miserable. It started getting colder, colder, and colder. Eventually, for eight weeks, the temperature was below zero - not wind chill factor but actual temperature below zero, for eight weeks for our first winter!

I was there on a federal Foreign Language and Area Studies fellowship, studying Swahili. The fellowship paid my tuition and gave me a stipend.

Q: Right.

MCCLLOUD: Back to the weather for a second - my Swahili class was at 8:00 in the morning. We had a snow storm, along with the zero degree temperature. I was assured by my wife that no one would get up at 8:00 in the morning in zero degrees to go to a Swahili class. "Well," I said, "I really think I should try." I did, and found that the entire class (about 8 students) was there! Everyone! Even one who biked in—he was from Boston, so he apparently used to that weather.

We were there for three years doing our coursework. It was a fascinating place. It's in the middle of the Midwest. So we had gone from living in Los Angeles, to a small island in the South Pacific, to a university town in the Midwest. Also, since I was focused on

Africa for my studies, I had a lot of friends who were either African or African-American. Outside of that community, there were not a lot of blacks in Madison. But the university was excellent.

Q: Anybody in particular that influenced you?

MCCLLOUD: Well, Bill Thiesenhusen was my advisor. He was mainly an agricultural economist, but he had a lot of development experience and was very practical. He also was very familiar with USAID. Another was Steve Feierman, who was a historian, but one equally interested in current conditions and how those conditions have been affected by history and what you can learn from that for the future. And he was interested in East Africa. That view of history I found very interesting from a development perception

My Swahili teacher was fascinating. She was Czech who was out of Czechoslovakia when the Russians invaded and did not return. Her first year at Wisconsin was also my first year. Swahili had been a favorite course for those who wanted something easy, but she was a serious linguist and those who remained in the course were serious students. She developed a very strong foundation for the language, not a conversational style of learning. It was a linguistic style, which I found difficult but successful in providing a good base for when I had to use the language.

Q: Did you have any master's papers or thesis that you had to complete?

MCCLLOUD: Well, there was one I should have completed for the doctorate - the dissertation. I completed all the course work, did the oral and written exams, and the year-long research in Tanzania, but did not complete the dissertation.

Q: For the doctorate, sorry.

MCCLLOUD: For the doctorate, yes. After coursework and exams, received a Fulbright fellowship to study smallholder agricultural production in Tanzania for a year. My research was in the southwest corner of Tanzania, about 1,000 kilometers away from Dar es Salaam. I discovered that if you wanted to live in a comfortable climate in Africa go to where they grow tea, because tea is always grown in mountainous, cool areas. If they grow tea there, you're going to be fine. Dar es Salaam is way too hot. We were in a village called Tukuju, near Mbeya. The whole year there was fascinating.

Q: How did you choose that?

MCCLLOUD: I was interested in looking at how farmers adapted to significant state control, and the tea industry provided a good opportunity. Production was smallholder organized, but processing and marketing was controlled by the government which tended to keep purchase prices below market price. I looked at how producers reacted to government actions.

The geographic location for the research was influenced by conditions in Tanzania at the time. This was in 1983-84, when Tanzania was at the lowest point in its economic history. When we were in Dar es Salaam, the only way we could buy basics like flour, sugar and milk powder was to use a bank account that was funded through a regular flow of foreign exchange. They gave us a checkbook, and we used that checkbook at what they called the “duty-paid” shop. Not the duty-free shop, the duty-paid shop. Once we went to the bank to exchange dollars into Tanzanian currency. The process took three hours, and while we were there the bank official questioned why we did not just exchange currency on the street where the rate was significantly better. No one seem to use the official channels for exchange.

That was Dar es Salaam. Getting around the country was difficult, and being in rural areas could be very difficult. Where we ended up, in Tukuyu, while distant from Dar es Salaam, was a relatively well-off area close to a border over which a lot of consumer goods traveled. So life there was actually easier than in Dar, and more comfortable than it would have been in a different rural area.

Q: Julius Nyerere was still in power?

MCCLLOUD: Yes, he left office in 1985. The tea area where I did the research had been a World Bank project. Tanzania had been a darling to a lot of the aid agencies for a long time. The government then took over the processing and the marketing of the tea. You could sell only to a government processing organization, and the government also controlled export marketing. The farmers weren’t getting a good deal. It was illegal to cut down a tea tree. If you did that you got arrested, so they just let the tea trees grow. After a while, the tea plant is no good. By letting the tea bushes grow but not harvesting much, farmers weren’t breaking the law, but did do damage to the industry.

Farmers put their resources to growing other crops that they could market without government interference. Those crops tended to be perishable, like bananas and vegetables that people in towns craved but could not get. There were few imports, and transportation within the country was difficult. So it was a fascinating adaptation by the farmers to an economic situation that the government was trying to control. The farmers were saying, “You can try to control it. We’ll see how well that works!” There also was a lot of unofficial cross-border trade.

The one transportation route that usually did work was the Chinese-built Tanzam railway (TAZARA). We took that railway from Dar es Salaam down to Mbeya. There were these huge railway stations with no one in them. The Chinese built them on Chinese proportions. We also traveled by a tea truck all the way back to Dar es Salaam once.

Q: Wow.

MCCLLOUD: But back to Washington! My wife was hired by AID while we were still in Tanzania.

Q: She had already applied?

MCCLLOUD: She had already applied. I hadn't.

Q: What kind of a program did she get hired under?

MCCLLOUD: She went into the traditional IDI program.

Q: International Development Intern.

MCCLLOUD: Yes. It was 1984. The entry program lasted two years in Washington, and then there were overseas assignments. There were very specific requirements that she had to complete. I stayed in Tanzania for a few months extra and then went back to Washington. I worked on my dissertation while in Washington, but did not complete it. When my wife was posted to USAID/Kenya in 1986 I accompanied her there.

That's how we got into development. It took a while, but it was a focused effort. We knew when we went into Peace Corps that we wanted to work in development, so when we went in, we knew graduate school would be likely, then joining some organization.

We didn't know that we would work for AID. In fact, when we were in Fiji and AID was just starting there, we were staying away from it. We didn't think it was a good idea for Peace Corps volunteers to be associated with this U.S. Government entity.

Q: That's a traditional Peace Corps attitude.

MCCLLOUD: Absolutely traditional Peace Corps attitude. That's what we had, yes!

Q: She joined as an economist?

MCCLLOUD: She joined as an economist, yes, and then became a program economist.

Q: At that point, did you have any ideas how you might get in as well?

MCCLLOUD: I didn't actually want to join AID at that time. I wasn't interested in joining AID at that time. I went to Kenya without any guaranteed employment, but within six months I was hired by what was then the Harvard Institute for International Development (HIID), which I don't think exists anymore. I got to know a fellow who was there on contract with HIID and working in the ministry of finance. In Fiji I had worked in a ministry of finance, and I had done budget work. That was of interest to them because that's what they were working with the Kenyan government on. I worked with them for about a year.

Then an opportunity came up with REDSO (Regional Economic Development Services Organization), a USAID mission that served about 15 countries in East and Southern Africa. I was hired as a personal services contractor (PSC) in the Project Development

Office of REDSO. I was a good deal to them since my housing, transportation etc. was already covered through my wife's employment as a foreign service officer. To me, working in REDSO was like going to heaven. Here I was, interested in African studies, interested in East Africa, living in Nairobi, with a job that had me traveling all over East and Southern Africa. I ended up going to 10 different countries up and down the East and Southern African coast and inland. That was wonderful.

Q: Who was your boss?

MCCLLOUD: Jim Graham was my first boss. He was director of the REDSO Project Development Office and was typical of REDSO staff - well experienced and well respected. When he transferred out, Jim Dempsey took his position, and after that Monica Sinding held the position. Steve Sinding, Monica's husband, was the director of the Kenya program.

Q: Did you get any training on how AID programming works?

MCCLLOUD: I was able to attend some training programs, and there was a lot of on-the-job training, a lot of it. I was there in that job for three years.

Q: As a PSC (Personal Services Contractor)?

MCCLLOUD: As a PSC. The then office director took me under his wing and had me accompany him on temporary duty assignments (TDYs) when he went to country missions to work on project designs or evaluations.

Q: Jim Graham?

MCCLLOUD: Yes, Jim Graham. He took me under his wing, so I went with him for my first couple of TDYs, the very first being to Uganda. (Yoweri) Museveni had recently taken over as president of Uganda. AID was in the process of building up its program there.

Q: Museveni replacing?

MCCLLOUD: Replacing Milton Obote. The U.S. government wanted to show support for helping Uganda get back on its feet. Uganda had been the gem of East Africa, but years of internal conflict and poor government had destroyed the country.

I went over with Jim, and we were developing projects in Uganda. We were told to do it quickly, and we were told we had to cover the whole country. We went up north where this Lord's Army had been at always.

Q: Lord's Resistance.

MCCLLOUD: Lord's Resistance Army. We went up there. Once we were in a USAID-owned army green SUV (sport utility vehicle), which we learned was a mistake. Nothing happened to us, but there was an army truck traveling just in front of us that had machine guns staring back at us from a not-too-far distance. Our driver was very nervous about this. *[Laughter]* He was really afraid they were going to just pull us over. It was the army but, in those days in Uganda, it didn't make any difference—they could pull you over and just take everything.

Uganda was my first real USAID work experience. It was a good experience. We were looking at trying to get resources into rural areas, develop small businesses, the sorts of things that AID always tries to do, sometimes with success and sometimes not. It was just a very difficult environment. It was what we now call a post-conflict environment, I guess.

Q: Did you stay in Uganda for very long?

MCCLLOUD: We stayed there for about a two- or three-week time period. There was a mission there, but it was very small. Just starting. There was still unrest in the streets. At one point, we were in a guesthouse, and we ended up all in a corner because there was some kind of firefight going on outside.

During an early trip to Uganda we drove around in the “bat mobile,” as we called it. It was fully armored. It must have been a Jeep of some sort, who knows, but fully armored, with a microphone and a speaker system and some air filtration system in it. We never had to use any of this stuff, but it was a precursor to the armored vehicles that we have now, set up to go into warfare, it seemed. It was hot, too. It didn't have very good air conditioning.

But that was it. We were pretty much on our own in terms of doing our work. It was interesting from my perspective just to see how innovative you both had to be and you could be in doing things, and how much initiative AID would give people to go off and do their work.

Q: So these projects were reviewed by the government?

MCCLLOUD: The Museveni government. I don't remember that part of the process. I went in there on the design side, so I was never really there when everything may have been approved. That was up to others to manage. The interesting, sometimes frustrating, thing being in REDSO is that you didn't always see the activity all the way to implementation, and certainly not to completion. Our job was to do the design work if a new project, or do an evaluation if an ongoing project. Others managed implementation. Also, as a contractor, I couldn't negotiate anything with a foreign government, so I would accompany my AID colleagues, Foreign Service officers, but I couldn't actually participate officially in negotiations..

I ended up working in 10 different countries while at REDSO, including Somalia, Tanzania, Mozambique, Malawi, Zambia, Zimbabwe, Botswana, Lesotho, South Africa and Kenya.

Q: Were you particularly focused on any particular sector?

MCCLLOUD: Not really. I was hired as a “backstop 94,” a Project Development Officer (PDO). AID stopped hiring in that backstop for a while, but started again a few years ago. We were hired to put projects together, to assist with redesigns, and to do project evaluations. That was the idea. You could have some technical skill. But if you had a technical skill, you probably went into one of the technical backstops. You probably didn’t go in as a PDO. We tended to be generalists. We did maybe political science or economics or some field like that.

Q: I think it flowed from the whole idea of a loan officer, where a loan officer could do any kind of loan.

MCCLLOUD: Right. That was the historical precursor to the PDOs. I didn’t really specialize in any particular technical area. I enjoyed working on different projects. It was an incredible experience getting to know people in REDSO and in missions. I ended up getting to know far more people in AID during those first three years as a contractor than I think I would have sitting in a mission for three years, even as a direct-hire. And REDSO, at the time, had 75 professional staff working in Nairobi, so there were a lot of really qualified people who were working there. Often, they had been AID for about 15 or 20 years, and had a tremendous wealth of experience, which I tried to benefit by. So it was fun.

Q: Three years you were there. Who was the mission director, do you remember?

MCCLLOUD: We went through a few mission directors. When I first joined REDSO I believe John Koehring was director. After that may have been Satish Shah.

Q: So Kenya was an ideal place for a first post for your wife and for you being with REDSO?

MCCLLOUD: Yes. My wife moved into REDSO after two years with USAID/Kenya. We often were traveling at the same time but to different places, and would leave notes for each other on the dining room table because often we would not see each other at home for a little while. We just had to communicate differently.

Q: I want to hear more about the pros and cons of being a tandem couple as you move around in AID. It’s not easy, especially in terms of assignments.

MCCLLOUD: Yes.

Q: As you were finishing up in Nairobi, she could bid, you could not. What was happening with your next assignment?

MCCLLOUD: Well, I had applied to be a Foreign Service Officer with AID the end of 1987. It was probably the summer of 1987. For months I heard nothing. This is the way things go. When you apply to AID, you often just sit and wait, wait, wait, wait. My wife's tour finished in the summer of 1988. She was assigned to a position as a program economist in Malawi, and we moved there in 1988. After a couple months I learned that my father had become very ill and I returned to the US to visit him and assist my mother. He unfortunately died late in 1988.

Q: Oh my.

MCCLLOUD: That was unfortunate obviously. But I took advantage of my presence in the US to get hold of AID and ask, "Am I going to get hired or not? I'm here. If you hire me now, it's going to be a lot easier." And, in fact, that's what they did. They processed my application in December of 1988. I was hired then. My wife returned to the US in January 1989 for the birth of our son, Chris, in February 1989. Chris was born in Washington, DC. He's quite proud of the fact that he's a "real" Washington, DC, person.

I was hired under a program for mid-level candidates. AID was hiring only hiring mid-levels at the time.

Q: NEPS.

MCCLLOUD: Maybe a NEP (New Entry Program). There was no real structure to the program. I was hired with a small group, we did a six-week orientation, and then rotations in whatever offices you could arrange. I did a couple of rotations. Cynthia Roselle is the one where I did most of my rotation work. She was, I think, head of the Africa Bureau Projects Office at the time. Roberta was getting ready in April 1989 to go back to post with our son. I had been an employee for only about four months. Cynthia said that it was inhumane for Roberta to travel back to Malawi with a newborn infant, on her own, so I was going with her. She worked the system. There was a position in the Malawi mission for a PDO, and I was assigned to that position. We suddenly were a tandem couple with a newborn, living in Malawi!

Q: Was there a class you entered with, that you did these six weeks of training with?

MCCLLOUD: There was, kind of, but nothing like the IDI class. When I came back from Tanzania, I went to social events with my wife's IDI class, and we are still friends with people who were in her class. We didn't have that situation at all. It was really a very loose kind of organization of people. That was about it.

Q: So you went back to Malawi with your wife and baby, hired a nanny...! [Laughter]

MCCLOUD: It was much to our pediatrician's chagrin that we were taking this baby to Malawi. He was pediatrician to a variety of Foreign Service types, and he never liked the idea that infants left the US at such a young age.

Q: How big was the program in Malawi?

MCCLOUD: The Malawi program was substantial given it wasn't a huge country. I don't remember the dollar size of the program overall, but remember that during our stay there we were told that the program represented the beginnings of "doing more with less." That was, being allocated a fairly large set of budget resources but not a commensurate increase in staff. Fortunately, we had Carol Peasley as our director. Roberta and I were there the entire stay of Carol. To be able to work with someone who knows development and knows the agency—we lucked out on that one. Carol was willing to take on any challenge. For example, we had a variety of policy reform / cash transfer programs that were becoming popular within the agency. There also was a separate funding mechanism for the Africa Bureau.

Q: Development Fund for Africa?

MCCLOUD: The Development Fund for Africa that allowed you to do different things and was a more open and flexible than traditional accounts. In Washington, the Africa Bureau had Jerry Wolgin as head of the Sustainable Development Office, who was excellent on the technical and conceptual side of programming. And Kim Finan who also was good conceptually and who knew AID programming requirements. Jim Govan was an Agency budget expert, then director of the Africa Bureau Program Office. These and others were icons in AID at the time, certainly in the Africa Bureau, and worked well together. We were treated well, given great support, and we were able to put together interesting programs.

We used policy reform / cash transfers to promote education reform as well as agricultural sector reform. We did a program with tobacco that opened up marketing of tobacco for tobacco farmers, to get the marketing away from government and get it into the private sector, so that smallholders could benefit. That was particularly interesting since we were doing tobacco, which the US anti-smoking lobby didn't like and which could have drawn the ire of US tobacco producers. But it turned out the tobacco they grown in Malawi is not even grown in the U.S., and is purchased by U.S. manufacturers and blended. The benefits of this work to the smallholder farmers were substantial.

Q: Talk a little bit more about this program assistance in the education reform program. How did that work?

MCCLOUD: The education project was titled, "Girls' Attainment in Basic Literacy and Education" (GABLE) project. There was a significant gender gap in the provision of education services in Malawi. This project was intended to promote girls' education. A portion of the project was what was called non-project assistance. This was budget

support to the government of Malawi that was released upon the attainment of various conditions related to education reform.

Q: Do you recall how large it was?

MCCLLOUD: I believe the value of the project was around \$20 million.

Q: Any other program assistance that you worked on?

MCCLLOUD: The other major project in the mission that used non-project assistance was the Agricultural Sector Assistance Program (ASAP). The government had to take certain measures to free up agricultural marketing (with an initial focus on tobacco marketing), and AID would release funds against the government having taken those measures. This program was closely coordinated with work the World Bank was doing.

In Malawi, my memory is that we were fairly consistent in holding to the kinds of measures that were to be taken. That doesn't always happen in those kinds of programs because there is pressure to release the money. In this case, I think the government saw there was value in the actions to be taken. The money of course was important. Also, I think the mission was able to convince the government that it was to the country's benefit to have a much more open marketing system to help stimulate the rural economy.

Q: While you were there, did you travel around the region?

MCCLLOUD: We did some traveling.

Q: Who was president then?

MCCLLOUD: The president for life.

Q: Banda?

MCCLLOUD: Hastings Banda.

Q: He was still there?

MCCLLOUD: He was still there. He left office in 1994. One amusing feature was that women who did dances at events in his celebration wore the pieces of cloth around their waist that had his picture often situated on their rear ends!

[Laughter]

MCCLLOUD: The one project that occupied much of my time was the Northern Corridor Project. The World Bank and other international donors were trying to establish a transportation route from Dar es Salaam by land to Lake Malawi, down Lake Malawi, and then again by land into Southern Africa. Mozambique at the time was in turmoil, and

transportation through that country was difficult. One component of the project where AID had responsibility was the rehabilitation of 20 locomotives run by Malawi rail.

At the time—I don't know if we do now—we had no mechanical engineers in AID. We had civil engineers. We didn't have mechanical engineers. The way the project was designed, we had to order 2,000 different types of spare parts So it got into the hundreds of thousands of spare parts for them to do the rehabilitation of the locomotives, and it was a total nightmare. A total nightmare! While we wanted original equipment manufacturer (OEM) parts, we knew that in these situations counterfeit parts likely would be offered as OEM parts. We were getting bids from India where we had reason to believe the risk of getting counterfeit parts was high. Monitoring that situation required a tremendous effort and added significant time to the procurement. When a new Foreign Service Officer and PDO arrived at the mission, he took on management responsibility for this project. He actually managed to get the procurement action to the point of an award.

We relied on a REDSO/ESA procurement officer to handle the action. It was April Fool's Day and I faked a fax, ostensibly from the procurement officer, to the mission PDO managing the project, in which the procurement action was put on hold because of a dispute. I had the fax delivered to the PDO through our C&R (Communications and Records) system in the morning. After seeing him storm past my door to see the mission director, I saw the director walking to his office. On her return, I called her into my office to explain the hoax. She thought it was great, and we kept it going the whole day. Finally, at the end of the day, I had a second fax delivered and had signed it something like, "April Fools."

While the project at least provided some entertainment, it was not something AID was geared up to do, and it showed me that we always had to be careful about choosing the areas in which we worked.

Q: Well, that sounds like another good, relaxed post. No political uproars going on.

MCCLLOUD: Yes, it was quiet, at least while we were there. I believe it heated up a bit with the transition of rule from the Banda era.

Q: It was basic development work?

MCCLLOUD: Yes, the country was poor and had need for whatever assistance could be provided. We provided helpful assistance in key areas like education, health, and agriculture.

Lilongwe was a very quiet city. We joked that the only traffic jam you ran into was maybe three or four cars at the stop sign where the residential area entered the business area. There were few restaurants. The embassy maintained a lodge In the Zomba Hills that was open to staff use. Two or three families could go there and stay and enjoy life.

Q: Sounds great. Did you get to know Malawians?

MCCLLOUD: We got to know some Malawians. People in the office, yes. I didn't get to know many outside the office. If you are a technical officer you have constant contact with people in government and in the sector more broadly. When you were there as a PDO, you had contact with people in the ministry of finance, but that's about it, other than contacts you may make privately. I did get to know people at Malawi Railway through the Northern Corridor Project, but they were based in Blantyre, the country's commercial center. The Malawians I knew, where we did any socializing, were primarily ones in the mission.

Q: How big was the mission? How many direct-hires would there have been?

MCCLLOUD: Probably about 15 direct-hires. It wasn't huge. It was seen to be sort of a precursor for a slimmed down mission with a fairly large budget.

Q: Carol Peasley was your mission director. Did you have a chance to learn from her management style? Any tricks of the trade as she became one of the senior leaders in AID?

MCCLLOUD: Well, Carol, she's just really incredible for understanding development, for looking for what is really important and trying to sift through the noise you may be getting from government people or other people in AID. She gets to the point, sometimes too quickly—you have to catch up with her! *[Laughs]* Yes, you kind of honed your skills with her, making sure that what you are looking at is what you should be looking at. And then just dedication—you find people like Carol, and there are others in AID, who are just totally dedicated to the work of the agency. We've known Carol ever since. In fact, we have a Malawi group that still gets together on at least an annual basis. It has expanded a bit because Carol was director Russia afterward, and she has brought in some of her Russia colleagues.

Q: So three years there. Then what? Now you both can bid!

MCCLLOUD: Yes, now we both can bid. The good news is, we both bid. The bad news is, now you need to have two positions in the same mission that are opening up at exactly the same time. We've always found AID to be good for tandem couples. They have always been helpful. We were slotted to go to Bangladesh from Malawi. We were all ready to do that. Then our son had a medical incident and was medevac'd (medically evacuated) to the US. Once you are part of a direct-hire family and you are medevac'd back to the U.S., you lose your medical clearance. You have to regain it. He was not going to regain his medical clearance for a while.

This is where AID steps up, I think. They canceled both of our assignments to Bangladesh and reassigned us to Washington. Then, of course, we had to figure out, "Now what do we do?" We went into some temporary things at first, just to get the lay of the land, and then bid on positions that were opening up in Washington. If you are going to be successful in Washington positions, you must have a positive attitude about being in

Washington. A lot of AID staff don't accept that and end up always regretting being there. From day one, they are looking outward to a mission because they want to be overseas.

I didn't know how long it was going to be that I was in Washington. I decided that the only logical thing to do was to make the best of where I was. So I looked around for good positions, for good people to work with, interesting work, that sort of thing. I did a variety of jobs in Washington because we were there for six years. Three years was getting our son's medical issue taken care of, and three years was looking for jobs overseas because we both wanted to go into supervisory positions at that point, and we can't supervise each other. It took a little while to find jobs.

Q: Did you have to come back because of your son before your tour was over?

MCCLLOUD: I finished my tour. It was April or May that my son was medevac'd. Roberta, my wife, happened to be in Washington at the time, so I traveled back with him on the plane, she remained in Washington with him, and I returned to Malawi to end my tour and pack out.

Q: He was how old?

MCCLLOUD: He was four at the time. I traveled back with him and then stayed in Washington for about a month. During that time, we sorted out that we were going to be in Washington for a few years. This wasn't an easy thing to deal with. So she stayed, and I went back to Malawi. I did our pack out from Malawi. It was within about three months of our departure anyway. From that standpoint, it didn't disrupt that part of our professional life, but it threw everything else up in the air!

Q: What bureau did you work in mostly back in Washington?

MCCLLOUD: We both moved around a lot. Washington is treated as a mission, so you can actually transfer from one job to another job without going through the bidding process. If it is agreeable to everybody, you can do that. I initially went into the Asia Bureau, what was then Asia and Near East (ANE), partly because Jim Dempsey, who I had worked with in Nairobi, was there in the ANE Projects Office. It was a landing spot. I was in ANE for a short while and then moved over to work on reengineering work. Around 1995 or so, AID went through an effort at reengineering. Brian Atwood was the administrator. Larry Byrne was the Assistant Administrator for the Management Bureau and Phyllis Dichter-Forbes was the Deputy Assistant Administrator in charge of the reengineering work.

Q: Tony Pryor was involved. I know that.

MCCLLOUD: Tony Pryor, yes! This is where I met Tony Pryor. Tony and I really worked a lot on doing this. I was put into the Management Bureau, into the reengineering team on

a full-time basis. We had about eight or nine people who participated on the team. About 18 months, I guess, I worked on reengineering.

Q: Can you describe what reengineering meant for AID?

MCCLLOUD: What it was meant to mean was more efficient and effective systems for putting development assistance into place. That was the intent. We were looking at the various processes AID used and trying to figure out the extent to which they could be reengineered—they could be altered—to be more efficient, to get assistance out more quickly, and to make whatever assistance went out more effective. It got about halfway to where it should have gone. Agency managers at the time decided to declare success at that point. In my view, we got to the point where we had torn down a lot of systems used for project development and approval in order to rebuild them, but the rebuilding didn't really take place.

Q: Can you give an example?

MCCLLOUD: Project papers. Some managers thought the project paper process was too onerous. That it took too much effort, too much time, and it really had to be speeded up and maybe not be as comprehensive as we were making it because you ended up with thick documents projects what is going to happen in year one, two, three, four and five, but six months after year one begins, everything changes. Why put all the effort into this five-year plan for a project when you know after six months everything will be different? The intent was to try to figure out how to achieve a more efficient way of doing business. We abolished the project paper requirement, but we did not take the time and effort then to figure out what was going to replace it, other than contracts and grants. The final decision was, "Okay, contracts and grants. You have to write a scope of work. You have to put thought into what your contract is going to do, what your grant is going to do. That suffices. You don't need to do everything else that you did in a project paper."

Q: Only feasibility studies?

MCCLLOUD: Didn't really have to worry about feasibility studies or anything. That's right. You didn't really have to worry about evaluations, other than what you have to evaluate for the contract or for the grant. There may be an evaluation, but only to determine whether the contract was fulfilled, not necessarily for impact you are trying to achieve. And you didn't have to worry about what overall impact you were trying to have beyond the very specific outcomes of the contract and grant. The achievement of broad development impact no longer was the focus. Instead, the more narrowly defined impact required for individual contracts and grants became the focus. What AID ended up moving toward and becoming governed by was the writing of contracts and grants, not the writing of projects which might require multiple procurement and/or assistance actions. That lasted probably for about 10 years. Contracts and grants ruled.

Jumping ahead, it was only with the rewrite of the ADS series a couple of years ago....

Q: The Automated Directives System?

MCCLLOUD: Yes, agency policy and procedure. It was with that effort that the concept of a project was brought back into the AID way of doing business.

Q: So you were part of a small team that was working on that as well as on procurement and other issues?

MCCLLOUD: Yes. We had people looking at procurement, but we pretty much left that up to the procurement people. But it was a team of probably 10 or 12 people, drawn from different parts of the agency. This was when reengineering was the thing. It was popular with that particular administration.

Q: This was Al Gore?

MCCLLOUD: Well, it was Gore's baby basically. We went over to the White House for some ceremony where they had stacks and stacks of regulations on one side, and what they had been whittled down to on the other side. That was part of the reengineering effort in AID. We had this series of handbooks. Thirty-three or something handbooks, each of which dealt with—and sometimes it took two of them—a particular operational process within AID. There was a handbook for putting together a project. There was a handbook for putting together a non-project, a handbook for procurement, a handbook for everything.

Those were the regulations we were trying to reduce. We took on Handbook Four. I think it was Handbook Four. Was that the project handbook?

Q: Three.

MCCLLOUD: Three. Handbook Three, right. We took on Handbook Three and tried to reduce the number of regulations. It was through a team effort. The concept was good. One issue was that we couldn't get people from overseas to participate on a long-term basis. That is something that made the effort a little harder because the people who are overseas are the ones who have the most recent experience doing the work. But it was a team effort. The product was more or less the result of the team. We weren't told what to do. But, as I said, we only got halfway down the road.

Q: What changed then? What stopped the process?

MCCLLOUD: It never was clear to me why that happened. It seemed to be a political decision. There was a determination that we had spent enough time on the effort. It was 18 months, and that was it. We just had to move on.

A very similar thing almost happened when we rewrote the Automated Directives System for program development, implementation and learning. I worked on that for 18 months as well in 2014, 2015. We thought it was going to take about nine months to a year, and it

just took longer and longer and longer. It was almost stopped. People almost said, “That’s it. We’re not putting any more time into this.” But they didn’t, fortunately. That effort ended up taking about two years in the end, but it got done.

What I think you learn when you are looking at an organization like AID that works in a very complex environment all over the world—a bunch of different geographical situations, a bunch of socioeconomic situations, has to meet certain government requirements, and there is always political pressure that will change with any administration—is that how you pull all that together into policy and procedure is not an easy thing because you don’t want it driven or constrained by the environment that you currently are in.

Often the political appointees in the agency wanted us to write into the ADS some of their policy priorities. And we would have to say, “We understand. We don’t disagree that it’s your policy priority. We don’t disagree that the agency is following that right now. But these rules and procedures we are writing have to survive across administrations. You are not going to redo this with every new administration.” We had to figure out and finesse, how do you allow the policy of the day to be enforced without enshrining it in what is going to be an agency rule and regulation book over a longer period of time? There are technical ways you can do it. There are procedural ways to do it. And then you just have to tell those who are pushing for one priority or another, “I’m sorry. That’s not coming into it.”

Q: Were you assigned to another place at the end of those 18 months?

MCCLLOUD: After the 18 months of reengineering work, I was looking around for a job. I went into the Development Planning (DP) Office of the Africa Bureau. Jim Govan was the director of that. There was a guy named Dick Day, who was the deputy. It was a good office. And I knew Africa, so again I figured I would go back to Africa. Soon thereafter is when the RIF (reduction-in-force) occurred in AID. What that RIF did was, it captured a number—I think 100 people lost their jobs.

Q: I was one of them.

MCCLLOUD: You were one of them. It captured a number of people like yourself, who maybe had moved up quickly in the ranks, who were excellent and moved up quickly, got stalled between FS-01 and Senior Foreign Service...

Q: Or into the Senior Foreign Service.

MCCLLOUD: Or into the Senior Foreign Service, which is what happened. But you don’t expect a RIF to happen right when you are at that point, and that’s what happened. So Dick Day, who I think was FS-01 and had been FS-01 for a while because it takes a while to get into the Senior Foreign Service, got caught up in the RIF. This just amazed everyone. Dick Day, Steve Norton who was a project development officer, both of whom we knew in Malawi. Dick was deputy in DP. He got caught in the RIF and was out. So

they needed a new deputy in DP. Jim Govan wanted Roberta Mahoney, who is my wife, to be deputy because he knew about her. Carol Peasley also had worked with her as a program economist and program officer. The complicating factor was, I already was in DP. I would have been reporting to her, which I couldn't do. There were two other deputy positions in the Africa Bureau that were open and they offered to place me in one of those. One was a geographic deputy office director position. The other was deputy of the Sustainable Development (SD) office. Almost everyone said I should go into the geographic office. That's the traditional route that people take to prepare for an onward overseas assignment and move into a mission management position. But Sustainable Development sounded more fun. Jerry Wolgin was there as the director. Jerry is just an incredibly brilliant person, really perceptive, but he had a bit of a reputation of being difficult to work for. I talked to him once. He wanted me to take the position. I said, "I really would like to come, but there are some rumors out there you can be difficult. If I'm your deputy, are you going to make it difficult?" He said, "That's probably true." Well, I chose Sustainable Development, and it was a thoroughly fun choice.

There were all different technical specialists in that office. We had 25 or so people in the Reagan Building, and we had another 75 people in office space outside the Reagan Building. The SD program budget was the third largest budget in the Africa Bureau. There were two country program budgets that were larger. Most of the non-USAID direct hire employees came from USDA through the PASA (Participating Agency Service Agreements) program. They never really worked for USDA, but were hired through that mechanism. USDA also rented the office space for us.

Q: These were the agriculture people and the environment people?

MCCLLOUD: They were all the technical people—agriculture, health, environment, economists. We managed our own programs, and sent people out to the field. And we did a lot of cross-Africa work. Office staff worked with a lot of indigenous regional organizations to encourage the movement of information and knowledge within a region. It was much more than what a bilateral mission could do. A bilateral mission simply couldn't maintain that kind of focus regionally. It came out of the Sustainable Development Office. Our staff would travel to the field, go to regional conferences, and work with regional organizations. A lot of staff also went out and did service provision to missions on the technical side. They would help with project development and implementation, and with evaluations. Similar to REDSO, it functioned as an in-house consulting entity. That's really what REDSO was, too. It was interesting being around, again, so many people who had such deep technical expertise.

Q: Where there any major changes in issues going on at that time that you were involved with? Were you involved with—I guess this had already happened—the reduction of the agriculture program across the agency?

MCCLLOUD: The one thing I remember being involved with was developing the Sustainable Development strategic plan. Strategic planning was important. An office like SD had not really participated in that process because it wasn't a mission, and it was

really a mission kind of thing. We ended up trying to figure out how you describe what is strategically important to a Washington-based technical office, and how do you define all of that?

There were some other issues that came up. They tended to be organizational kinds of issues. One was how you best provide procurement services in Washington from the Office of Procurement. There was an effort to decentralize the location of procurement and put them into each of the bureaus, so you had people actually sitting in the bureau working together. We, in the end, argued against it because our procurement officer was really good. He would attend our meetings and stay fully engaged in all procurement actions. I don't recall the reduction of agriculture funding being an issue at that time.

Q: I think that had already happened. I think it happened with (Peter) McPherson.

MCCLLOUD: Yes, maybe that had already happened.

Q: With McPherson, with the Bumpers Amendment and all of that.

MCCLLOUD: Yes.

Q: Did you all manage the health programs as well, or were those mostly handled by the central bureau?

MCCLLOUD: Well, we had a health office. The central bureau obviously does much of that work. But they actually worked a lot with SD because SD had geographic focus on Africa. This has always been the debate. Should you have a technical office inside a regional bureau, or should you have a technical bureau that services the regional bureau, or a combination? The question has been, how do you best provide technical resources out of Washington to missions?

Q: Right.

MCCLLOUD: Well, this model happened to work really well, the SD model. We thought it worked really well. We had people who were in constant contact with missions, who traveled out there. A lot of them were Civil Service. Some were Foreign Service. A lot were Civil Service or were RASAs or PASAs. They were contractors and had experience overseas, like Tony Pryor. He had been overseas working. He came back and was there through a PASA. You just had this really high level of technical expertise and geographic expertise. You had it because you were in a geographic bureau. I never really felt like the technical bureaus were able to perform as well geographically as the geographic bureaus could perform technically. I think there is a big difference in that. Now health, who knows? On a less serious note, I always thought health could almost become a separate agency.

Q: It was the biggest chunk of money, by far.

MCCLLOUD: It's always been the biggest chunk of money.

Q: This is John Pielemeier. This is a lovely May 2nd day. David McCloud is here to move further along with his career. David, let's move ahead with where you go next.

MCCLLOUD: I spent about six years in Washington after returning from Malawi. Part of that was due to a medical issue with my son. Part of it was that my wife and I were a tandem couple. We were both looking for more senior positions, and we didn't want to split up.

Q: Right.

MCCLLOUD: AID is good with tandems. They really do make an attempt to keep people together. We ended up getting positions in Egypt, which isn't too surprising because it was such a large mission. A lot of people in AID had gone through Egypt and even returned to Egypt. The schools are good and living there is relatively easy. This was in 1999, and we both went off to Egypt. I started as a PDO, and then within a year of arrival there became director of the Project/Program Office. It was a combined Project/Program Office.

Q: What was Roberta's job?

MCCLLOUD: Roberta was what they called associate director for Economic Growth. Egypt had a rather unique organizational structure in that they had a director, a deputy director, and then, when we were there, three or four associate directors, and multiple office directors. The program when we arrived was close to a billion dollars. It was a large program.

Q: A billion dollars a year?

MCCLLOUD: A billion dollars annual operating year budget (OYB). The staff numbers were probably around 60 or 70 direct-hire staff. They had what staff considered a very hierarchical structure. It was not a flat structure by any means. You had a director, a deputy, associate directors, office directors, and then all the other staff. All the other staff felt a bit put out by that structure, but nonetheless it's what they felt was necessary to manage that program. Roberta's program alone was \$500 million OYB.

Q: Oh my goodness!

MCCLLOUD: So, even her program, if you look at AID country programs, was the second or third largest country program on its own.

Q: Was this a cash transfer?

MCCLLOUD: At that time, it was about \$200 million cash transfer annually, or what we prefer calling policy reform cash transfer. It wasn't just moving money. There also was a

two hundred million dollar annual commodity import program—it was one of the last commodity import programs the agency had. Then about \$100 million in project assistance. A lot of the project assistance was associated with the policy reform cash transfer program. AID negotiated on an annual basis what policy reforms they would support. We also provided project assistance in order to achieve those reforms, and then would release money against achievement of the reforms. It was fairly successful. What you always faced in those instances was pressure from our side to do a release for political reasons as opposed to programmatic reasons. We were at different times in the situation of rewriting the terms of release in order to do it.

Q: The conditions precedent?

MCCLLOUD: Yes, because of political priorities and political imperatives given Egypt's relationship with the U.S. They also did very good reform programs. There was a major customs reform program, for example, which was favorable. We did agriculture reform. There were other reform programs. So it wasn't just signing a check. Generally speaking, this Egypt program has always been criticized for just being money to Egypt from the U.S. Not so much now, because there's not much money now, but back when there was a billion dollars. What I saw happening was, the decision to put that level of funding into a country like Egypt was a political decision, but then AID did have a lot of say over how it was spent. AID would always try to take the money and do whatever development work they could do. They really did try to use the funds productively.

Often, what went into Egypt was infrastructure - water, telephones, electrical plants, roads.. One concern was that it was difficult for the US to get credit from Egyptians for our assistance because you could not see what the U.S. government funded. Much of it was underground or not readily visible.

Much of it was underground, like telephone systems and water and sewer systems. We did major heritage work in terms of rehabilitating certain historical sites. Often that involved groundwater issues that also required work underground. So a lot of what we did, you couldn't see. The comparison was with the Japanese, who came in and built an opera house that everyone knew was there. Egyptians could see it every time they went into downtown Cairo. But the work we did was beneficial to the country.

One of the interesting things while I was in Egypt, and it was over a four-year period, was again on the political side. The U.S. government decided it wanted to essentially break the link between assistance to Egypt and assistance to Israel, which had been in effect since the Camp David accords. Ever since Camp David, there was some parity between the assistance levels for Egypt and Israel. The mode of delivery for economic assistance was different. For Israel we just wrote a check. We didn't have any substantive conditions. The expectation was that the two countries wouldn't go to war. With Egypt, we had conditions. Nonetheless, we maintained parity of level between the two countries.

Around 2000, there was a decision made within the administration that they wanted to break that arrangement. Our task in AID was to develop a 10-year plan over which we

would go from, at that time, over \$800 million a year, to about \$400 million a year. It had already dropped from a billion to \$800 million over the previous couple of years. We were to go from \$800 million to \$400 million a year, but over 10 years. We actually developed a strategic plan, which in AID they usually last four or five years. Often, they are put together to last four or five years, but really last two years! We had to develop one for 10 years, and we did. We laid out where we would reduce funding, how it would work, and everything. The Egyptian government pretty much accepted it. They had input into it, but the overall intent was to break that link. And that effectively is what that 10-year plan did, break the link between Egyptian and Israeli assistance. Surprisingly, because I was back in Egypt just last year, it actually held together.

They did do that reduction over that time period. And I learned that was the last strategic plan Egypt had.

Q: Is that right?

MCCLLOUD: They had not been able to put another one in place for a variety of reasons, both on the U.S. side and the Egyptian side.

Q: Was there something happening politically around that period that led to the idea to break the linkage?

MCCLLOUD: I don't think there was a specific event. By that time, it had been about 25 years. We had done a lot of work in Egypt. There were other priorities. I think that two factors were important. First, the U.S. development assistance budget was continually shrinking so allocations had to change, and second the Egypt program was financed through the economic support fund (ESF) and there was less and less ESF. I think the decision was made that we really couldn't keep that balance. On the U.S. side, we certainly didn't want to penalize Israel receiving money because we had to reduce Egypt. That link had to be broken so we could in fact reduce Egypt without having concern on the Israeli side. It wasn't as though we were penalizing Egypt at all. It was just a fact of U.S. foreign assistance and policy. It did mean we had significant reductions.

That was pretty much when we dropped out of the commodity import program business, over that time period. That was \$200 million a year. As you're going from \$800 million to \$400 million, you can't maintain that. So that program pretty much came to an end. We reduced the cash transfer program. There was a lot of talk of us just setting up a legacy fund and basically moving out of the project business totally, essentially closing the mission down and maybe having an AID representative in the embassy. We even had people come in, look at that idea, and come up with draft plans. It was decided that wasn't going to happen. We weren't just going to close the program down. Egypt kept putting pressure on us just to write a check. Continuous pressure. They weren't dissatisfied with us closing the program as long as they got the money. They could easily live with the USAID presence.

One of the casualties of the reduction in budget, in particular on the cash transfer side and commodity import program side, was that both of those programs did what we called “generated local currency.” On the cash transfer side, the Egyptian government had to put up the equivalent dollar amount in Egyptian pounds that were then jointly programmed by the U.S. and Egypt. After conditions were met, we would transfer \$200 million to the Egyptians. They would then put the Egyptian pound equivalent of \$200 million into a separate bank account, what we called a “special account.” From that account would be drawn funds for projects that we, and the Egyptians, agreed upon.

Also funds from that account covered many of the expenses of running the AID mission, with the exception of US direct-hire personnel costs and some contractor costs. Those costs - like travel, salaries, benefits - they were all covered by the U.S. government. Almost all the Egyptians we hired in the mission, and we probably had 100 Egyptian staff at least, all their salaries came out of this account. We also supported the American University in Cairo (AUC) from this account. In fact, we pretty much funded their building a new campus through the account. It’s something the Egyptian government probably would not have done on its own. This “local currency generation” process significantly increased the level of resources we could influence in Egypt.

Q: David, correct me if I’m wrong, but I think in other places the programming of those resources did not have to go through the normal USAID procedures, in terms of procurement procedures and environmental review—all the normal stuff that you spend dollars that you have to go through. The local currency funds normally were not required to do those, right? Is that correct?

MCCLLOUD: Technically, not. But in actuality, in practicality, they did.

Q: Oh, they did?

MCCLLOUD: Yes. There was a decision that we didn’t want to make it appear that, if we were spending dollars, we had a higher standard of meeting different kinds of requirements than were we spending Egyptian pounds. So part of it was we didn’t want to give the Egyptians any sense that we valued spending their currency less than ours. Also part of it was, people just felt there were certain regulations that made sense. We had them there because they made sense. There may have been a question as to whether you had to apply those. Lawyers usually told us, “No, you don’t, but be fully prepared to justify why you didn’t.” Often, the money actually ended up going to American contractors as well. You just don’t want to confuse people that way, so we didn’t.

Q: The commodity import program—what was that bringing in mostly in those days?

MCCLLOUD: It was mainly in agriculture. The company Caterpillar benefited from that program tremendously. Farmers imported their equipment, as well as other agriculture-related material and equipment. And wheat—the Egyptians imported a substantial amount of wheat.

We discovered that investors in wheat futures in the U.S. watched when we were about to make a cash transfer. We would actually get phone calls. This is how we learned this. We would get phone calls from what we learned were futures traders asking if a transfer was about to be made. Of course, we couldn't answer the question, and we didn't answer it, but that's when we caught on to the fact that they fully understood what our process was. They were watching prices, and they were watching markets. Egypt was such a big market that they knew when we made that transfer a lot of that money was going to go to purchase wheat. When a purchase was made under this program, the Egyptian purchasers had to deposit the pound equivalent into an account in Egypt that we and the Egyptian government jointly managed.

Q: So there was just one separate account for both of those?

MCCLLOUD: I'm not sure about the number of accounts, but I think that there was just one.

The USAID/Egypt mission is an interesting story. I just learned when I went back last year that they actually developed one of the major accounting systems that AID now uses. It was developed in the controller's office in Egypt. Egypt has provided accounting services worldwide. There are Egyptian staff from the controller's office who go out to missions and train local staff about USAID procedures. Especially on the controller side, the Egyptian staff have provided a really important service.

Egypt used to be it was a good platform from which to provide regional services. Transportation was good. Housing was good. Schools were good. You could get people to go there. But politically, it has changed over the last few years. Over the last three or four years, they have had two evacuations of staff because of political turmoil in the country. So their regional presence has been reduced, with the one exception that regional financial service provision will be maintained for a while.

Q: What was your role in the operation?

MCCLLOUD: My role, after the first year, was director of the Program Office. What that meant was working with mission management about the direction of the program, about where resources were going. One of our major tasks, as I mentioned, was putting this 10-year plan together that would reduce the level of resources coming in from \$800 million to \$400 million a year. We had to make programmatic decisions as to what we wouldn't do, what we would cut back, and what would be retained. We dealt with Washington on a number of matters. During George W. Bush's administration, when Dick Cheney was Vice President, we had his daughter, Liz Cheney, who eventually became an assistant secretary of state in State's Near East Bureau and who had a particular interest in the Egypt program. At the time we were dealing with her, at first, she was head of what was called "MEPI," the U.S.-Middle East Partnership Initiative. Essentially, it was an attempt to set up a mini-USAID inside the State Department, with State Department personnel, to conduct projects in the Middle East.

Q: It was State Department money, right?

MCCLLOUD: It was totally State Department, but of course we were expected to coordinate closely with MEPI. It was based in the bureau that watched over Egypt. We ended up, for about 18 months on an intensive basis, dealing with Liz Cheney and all her questions about the program, because it was State Department so there was some level of control and watching over us. We were dealing with her on a frequent basis, including conference calls and video conferences. These were times when your foot would accidentally slip and unplug something, so the video conference would mysteriously run into some technical difficulty!

Q: Well, that's interesting!

MCCLLOUD: Yeah. But we generally dealt with Washington on all programmatic issues out of that office. We also were the official interface with the office in the Egyptian government that managed foreign assistance.

Q: I had a friend who recently wrote a book about AID, and he called the program officer, the "director of bureaucratic mysteries."

MCCLLOUD: Yes, well that's part of it!

I walked into this job being a project officer, not a program officer, and there are very big differences between the two. Project officers, we can deal with project budgets. We don't deal with program budgets. Program budgets are mysteries. It's not just a matter of saying so much goes to education and so much goes to economic growth this year. There are so many legislative requirements that budgets need to meet. You can spend so much in certain areas. You can spend so much of specific years of money. We could be working with five or six different years' worth of money because of the way AID operates. It's the only government entity I know of that can do that because of the way we obligate, which is a way that no other entity has. You can end up dealing with five different years of funding. Each year has its own appropriation bill. There are restrictions written into each appropriation bill that may differ from any other appropriation bill. So you had to be careful which year's money you spent and whether you were spending it legally. Also, the agency had its own regulations about how you could spend money in different areas and how much. Yes, that's the bureaucratic mystery. It was not, by any means, created by the Program Office. We kept telling people, "Look, we're the messengers in this one. We didn't make this up."

Much of the work of the Program Office also was imposing a certain discipline within the mission about defining what it is you're really trying to do with the money, and how do you define success? And then how are you monitoring performance, how do you do know when you have reached the point that you think you should have reached, and what mechanisms do you have in place to make changes, if you are not getting to where you think you should be going? Technical offices often not only accepted it, they embraced it. They thought it was a great idea because strategically, programmatically, it's something

that you really should be doing. Others sometimes just wanted to spend the money however they felt was good, and they resented anyone watching over their shoulders in their doing that. Those would cause some difficulty. Then it really becomes the job of the front office of the mission to decide, “Okay, does the mission corporately have some discipline it wants to impose?” Fortunately for the Program Office, in the Egypt mission, we always had a front office that used the Program Office as its right arm to help manage the direction of the program.

Q: Who were your directors while you were there the four years?

MCCLLOUD: Dick Green was the director when I first arrived. Bill Pierson was director for most of my stay. For three years, he was there. He set a direction, and then you did your job, came back and reported back. He used his senior staff in that way. He didn't necessarily tell them what to do. He told them what he expected of them, they did it, and discussed progress. So that worked well. We had Anne Aarnes as our deputy, who just knows AID operations really well. She did very well. When I first got there, Tony Christiansen Wagner was the deputy. She also knew AID very well and was good to work with.

Q: Did you enjoy Egypt?

MCCLLOUD: Thoroughly! I did get a little tired of camping in the desert. Our son was in the Boy Scouts. In fact, he did most of his Eagle Scout work in Egypt. They had a very active Scouting troop, led to a large extent by AID contractors, as it turns out. They were incredibly well equipped with a trailer, Dutch ovens, and all the camping gear. Basically, for about six months of the year, once a month, they would go out camping and do these overnight, two-night camping trips. It's Egypt, so you have to go to the desert. So we always went to the desert. We went to places you can't go to now because of security concerns. We went to the Sinai a couple of times. We went all over. I really saw how four-wheel drive vehicles were used, because you didn't have four-lane highways once you got into the desert.

Q: So you were part of the Scout superstructure, or were you just a family member or parent?

MCCLLOUD: Actually, one time, I did manage one of the camping out sessions. But they had a lot of volunteers, so I rarely volunteered that way. It was a great family post. And the school, Cairo American College (CAC), was known to be one of the top three or four international schools where AID people went at least. It was good. There's also just an incredible amount to do in Egypt. As long as you like antiquities, it was good. Egyptians, I found them really good to work with, kind of fun. Usually, they knew as much about our systems as we knew about our systems. We always had to watch out how things went.

There had been a terrorist threat probably about a year before we had arrived. AID had its offices downtown near the embassy, and the threat was in that building. Within a week of

the threat, they moved everyone out of the building. It was a huge mission. They moved it to Maadi, a suburb of Cairo. It was about four miles outside of the city center. It has four million people in it now. It's a huge suburb. They at first moved everyone into the apartments to work from.

The US government was able to get one building that had a warehouse attached to it, literally at the edge of the desert in Maadi, and they converted the building and warehouse as office space. This became the "interim office building" and served as the AID mission while a new mission building was built. At this interim sight, you would walk out the front door, and there was a guard post, a sort of Lawrence of Arabia sight. There was this guard post with an Egyptian soldier up there, literally looking out over the desert. I mean, we were at the edge. We were in that building while we built a new building, which was called the "new office building," also built with local currency, so the entire building—no U.S. dollars spent on it. We moved into that building after a couple years. That building was in Maadi. The school was in Maadi. Everyone who had a kid lived in Maadi. My commute to the office was about 10 minutes. To the school, it was about five minutes. To the commissary, and it had one of the largest commissaries in the world, was probably about 15 minutes. That was it. I had an easier commute in Cairo than I had when I went back to Washington. A far shorter commuting time, which people found to be a little bit unusual.

Q: Were you able to develop social relationships and friendships with Egyptians?

MCCLLOUD: In my case, the only ministry I really worked with on a full-time basis was international cooperation because they were the contact point for development assistance. I developed friendships with staff there. Not so much social ones, but to the point that when I was back here in Washington, when I came back from Cairo, some of that staff I worked with there ended up being posted to Washington, so I would see them here. There are AID Egyptian staff I still see. They come here to the US for work or to visit. There are some who live close to me in Falls Church. We get together with them because they have emigrated. Whenever I go back there, I go to their houses for lunch, or we go out to lunch or out to dinner. Yes, there are long-standing friendships that have developed. It's very nice.

Q: Anything else about the program you would like to highlight that you feel were particularly successful, or not?

MCCLLOUD: Let's see. Well, the economic side is the one we focused on. We did have some successes there. The most problematic one, not surprisingly, was on the democracy and governance side. It was very dicey because U.S. foreign policy basically led to support for Hosni Mubarak for two or three decades. Mubarak's rule was not one that was conducive to developing democracy. It was considered to be repressive. On the foreign policy side, the U.S. government was supporting an Egyptian president who many believed was not in the long term interests of Egypt if you valued a more democratic future for the country. There was always friction and tension about the democracy and governance program because the Egyptian government would complain

about it, and they would not want us doing that kind of work. On the other hand, there was a lot of pressure in the U.S. for us to be doing that work because everyone felt like it was very important. And it was. In fact, it was shown to be very important when there was political change. The way political change took place, which is not really how you want it to happen, is through a coup. Even when the coup took place, the U.S. government never said it was a coup, because when there is a coup you have to suspend almost all assistance, and the U.S. government didn't want to suspend assistance. Therefore, it was not a coup. But it was very disruptive in Egypt. They still have a democracy and governance program of sorts, but they cannot do much.

There were very interesting ways that we kind of got around those problems. On the economic growth side, we had a good agriculture program and, as part of that, there was development of farmer associations. We worked to help develop these associations. Strictly speaking, they were not cooperatives, but similar in structure and intent. What we then did with those associations, we would provide assistance for voter registration and ID registration through those associations. It became something we were just doing with the association, as opposed to doing as a democracy and governance project. There were those kinds of ways we had of getting around the constrained environment. That's not to say the Egyptians didn't know what was going on, but we could manage to do basically two things under the guise of doing something that was more innocuous.

We also had difficulty promoting nongovernmental organizations (NGO). The Egyptians wanted to have more control over NGOs than we felt was appropriate. They had a ministry that watched over nongovernmental organizations. They had a registration process that was very onerous, so organizations had great difficulty registering. If they weren't registered, we couldn't support them. The Egyptians had ways of blocking our assistance, of creating rules that in effect reduced the independence of NGOs and reduced their ability to function as they should.

Q: At that time, were they requiring American and international NGOs to register as well?

MCCLLOUD: There was always an issue about whether American NGOs had to register. The problem was, if you weren't registered, you had difficulty bringing things in duty-free. If an American organization was there working, and they weren't registered, we would argue they didn't have to be registered. The Egyptians would say, "No, we think they should be registered." Then you go to Customs, and they say, "Well, where is the registration?" Of course, you don't have the registration, and then you would have to argue it out. It was always painful to have organizations there that weren't registered. As a result, some would. In some cases, we would try to make the point they didn't have to be. But it was always, always an argument with the Egyptians. So whether they had to be or not, it ended up not helping whatever project we had going on. It was always an issue. It was sort of a love-hate relationship, I think, that the Americans had with the Egyptians and vice versa.

Interestingly enough, when I last heard, the program's down now to somewhere between \$70 and \$100 million. Partly, that's just because the overall level of foreign assistance has gone down. We just can't afford to put so much money in a country like that.

Q: Is there any continuing program assistance, or is it all projectized?

MCCLLOUD: It's all projectized now. Program assistance usually requires substantial resources to start with. It also requires a government that is conducive to doing reform, and that was always a problem with the Egyptians. We had program assistance there, primarily for the cash transfer part. We would try to impose programmatic requirements. We succeeded in some cases. We didn't succeed in other cases. Egypt was not an environment where you would walk in and say, "Oh, this is a good environment for cash transfer policy reform" because the government was so hung up on doing it. There were parts of the Egyptian government that welcomed reform, but other parts that were resistant.

Q: We'll support your initiative, Minister.

MCCLLOUD: Theoretically, that's how it is to work. We go in and say, "Okay, what's important to you?" They will say what's important to them. We'll say, "That's important to us. We'll base some release on that, and we'll give you assistance to doing it." And they say, "Great. We like that idea." Didn't happen all that often in that instance, not with Egypt. Just as often, we had tough negotiations over the conditionality.

Q: While you were there, were there any evaluations of some of those major infrastructure programs? Were there every any cumulative evaluations on what they accomplished, or were they still ongoing?

MCCLLOUD: The major infrastructure projects were done very early on. I'm sure there were evaluations. The general feeling was that the infrastructure work we did was successful, and it's pretty basic to a country to get their infrastructure in order. That's what it did. It gave the Egyptian economy a stronger foundation on which to grow. The physical work that AID did in Egypt typically was well done. We did a lot of water work, for example, in Egypt, for drinking water. All that was well done. We managed it well. We had good contractors.

We did what we called "host-country contracting" in Egypt, which basically put more of the burden on the host country. Technically, the contract was between the host country and the contractor. In fact, we ended up putting as much time into managing those projects. Sometimes we felt we were putting more time in managing than had we just done it ourselves. You had to go in. You had to make sure the host country had the right procedures in place. Then you had to make sure they were following the procedures that were in place. During the project administration, you had to make sure that the contractor was doing what it was supposed to do, and the government was doing what it was supposed to do. When you do it yourself, you have a little more confidence that work is being accomplished correctly.

Q: And if the U.S. contractor had a complaint?

MCCLLOUD: They were U.S. contractors, so even though they knew technically their contract was with the Egyptian government, they could always complain to a Congressman. We could not simply say that it was a host country contract and we could do nothing to help resolve an issue. The Congressman would want to know, “What are you doing to help out this major constituent?” And that’s fair. The concept of host country contracting may have good attributes, but in its implementation, it could create difficulties. That is what happened on that front.

Q: Anything else about Egypt you want to mention?

MCCLLOUD: No.

Q: Then you had to go through the process of bidding again, both as a tandem?

MCCLLOUD: Right. We ended up coming back to the US, as a lot of AID families do. Our son was going into secondary school. He did his whole middle school in Egypt—5th through 8th grade. It was interesting for him. When he arrived in Egypt, he didn’t want to live there because we lived in an apartment four floors up. Our apartment actually had more floor space than our house had. It was huge. But he couldn’t run outside and play in the yard as he could in the US. He was about 10 years old, so he really hated it. By the time we left Egypt, however, he wanted to stay, and he wanted to stay and go to high school. We actually had two semi-serious offers. A driver offered to let him live with his family, and one of the wealthiest people in Egypt offered, which is the one we should have taken! He had this three-floor penthouse in downtown Cairo. He offered. He said, “Hey, just let him stay with my family. My driver can take him, drop him off, and come back.” We of course couldn’t do that. We came back to the U.S. so he could go to high school in the U.S.

Q: What year was that?

MCCLLOUD: 2003. We moved back here, so he could go to high school here. In the meantime, we researched jobs before we came back. I became director of the Middle East Affairs office, in what then was called Asia and Near East (ANE) Bureau. Having worked in Egypt, I knew the Middle East environment. I was in that job for five years. Countries covered were Egypt, Morocco, Yemen, Jordan, Israel, and Lebanon.

Q: Nothing in Tunisia at that point?

MCCLLOUD: MEPI, the organization I mentioned earlier, was working in Tunisia. AID was not there. I know we moved in afterward. The area was almost totally economic support funded. It must have been about 80 percent of the agency’s ESF budget. It was not a quiet area, as you can imagine. Lebanon, Yemen... all the places have difficulties politically, and often are in turmoil. It was an area where, in the administration of the

AID program, you often dealt with State Department and the National Security Council (NSC) more than internally with AID. In the five years I was there, I spent considerable amount of time in State and at the NSC.

Q: Really?

MCCLLOUD: Yes. This was partly due to the establishment of MEPI. When you have the vice president's daughter involved, it's someone who is going to be listened to, and you have to deal with it. And with the NSC, there were various national security issues with the countries where we had programs, and coordination with other US government departments, through the NSC, was essential.

Politically, I found the region fascinating. The nature of the countries, the balance between keeping certain political relationships going, and, in that environment, trying to do development work, to me was really fascinating. What that job taught me was the workings in Washington of the foreign affairs environment, and the importance of strategic relationships and how the U.S. government would react in different situations. In particular the NSC had the foresight to think about how the development side of the US government interacted with other actions taken by the US. All of this brought us into interaction with State people more, with NSC people, and, interestingly, the Pentagon. The military relationships are pretty critical, so they would be there. It really gave you a good sense of how diplomacy, the military, and the development side interact. No matter what you want it to do, there are those interrelationships.

Q: Were there people on Capitol Hill who took interest in the program? People you had to keep up to date?

MCCLLOUD: Yes. There were two particular staffers on the Hill, Paul Grove one on the Republican side and another on the Democratic side. They were in the Senate. They really, really took an interest in development assistance, a strong interest. Even though they were different party affiliations, they had been working in tandem for a number of years. The one on the Democratic side had a particular interest in environmental affairs and was very careful. He was associated with Senator Patrick Leahy to a large extent.

Q: Tim Rieser?

MCCLLOUD: Tim Rieser. They would always have questions on the Egypt program, but then they would have questions on the other Middle East programs. They often had very strong ideas about things, but in interacting with them, I discovered they weren't just trying to impose their ideas. They were a little suspicious of us. They weren't quite sure we were telling them everything there was to be told. There was this sort of tension every time we met them, but it was a healthy tension. They didn't attack us for things. I felt like they didn't accuse us unnecessarily. I have seen that happen sometimes from Congressional staffers, equally from administration staffers. In fact, it comes more often from administration staffers is what I find. They don't have the history of working with people. People on the Hill, the staffers, generally have a long history of working with

AID staff. They know us, so there is a certain level of trust. But, yeah, we were up on the Hill on the staff side. We wouldn't ordinarily meet with Members. A couple of times we met with Members when they had a particular interest.

Q: In your position as director for Middle East programs, were you involved in Senior Foreign Service assignments to those missions, or were those handled by the front office?

MCCLLOUD: I wasn't really. They were handled more through the HR (Human Resources) system and through the front office. I would sit in on discussions about people, but that was primarily a front office thing. It was actually primarily the agency front office, not even the bureau front office. It was the administrator's office that generally did that, partly because they weren't just looking at one region, they were looking worldwide where people were going.

While I was director of Middle East Affairs, for about a year and a half at the end, I ended up being the acting DAA (deputy assistant administrator), basically for the Middle East, but this was at a time when there was a lot of movement of senior staff. Jim Kunder had been our DAA. Kunder was a political appointee who came in under Bush. He had been our DAA when our assistant administrator left. Kunder took over as assistant administrator. Mark Ward took over as the DAA for the Middle East. Then when the agency's deputy administrator left, Jim Kunder became acting deputy administrator for the agency. He had some issue with one of the senators, and he was never confirmed as deputy. He had to be confirmed as deputy administrator; he never was. He stayed as acting deputy administrator the whole time he was there. Mark Ward took over as assistant administrator for Asia and the Near East, and then they moved me in as acting deputy assistant administrator for about a year and a half.

Q: What was Roberta doing at that point when you were back in Washington?

MCCLLOUD: Roberta, I joke with her she never could hold down a job. She moved around in Washington. I don't know how many jobs she had during the four years. The ones I remember— head of the Program Office in the Latin America Bureau and deputy assistant administrator in the E&E (Europe and Eurasia) Bureau.

Q: Your objective was to stay here until your son finished high school? One of the objectives perhaps?

MCCLLOUD: Yes, and we did. He finished high school and started college. We had searched out onward assignments overseas. We were both going to go overseas and be mission directors. Roberta was assigned to Albania, and I was assigned to Bosnia. It was the first time in the agency history that a tandem couple had both been assigned at the same time to be mission directors. There have been mission directors, two tandems, but this was the first time two were assigned at the same time.

Q: That's quite an honor.

MCCLLOUD: The E&E Bureau managed the assignments, and we were grateful for their doing that. One thing they were thinking about is that you could actually drive between Bosnia and Albania, so the travel for us to see each other would have been easy. So we were both assigned. Roberta traveled to Albania. I ended up having a medical issue that prevented my leaving as planned. While I was going through that, our son was having some issues. We sorted out that we couldn't both be out of the country at the same time. She stayed in her assignment. She was already there in Albania. My assignment was canceled, and the agency reassigned me here in Washington, a temporary assignment in HR for just under a year. Then I was asked to become deputy assistant administrator in the Office of Afghanistan and Pakistan Affairs.

One of the important things I did while in HR was work with a team of about five or six of us who established the PPL Bureau—Program, Policy and Learning Bureau, the successor to the PPC. At one point in time within the agency, when the F Bureau was created—which basically was the budget bureau—when it was created around 2004 or 2005, the policy bureau was disbanded, so responsibility for the budget in effect moved over to the State Department. Even though it was called the F Bureau of AID, it was a phantom bureau. Maybe the “F” stood for phantom!

Q: This was when the administrator was the fellow who had been head of PEPFAR (President's Emergency Plan for AIDS Relief), the fellow from Indianapolis? And then he was also named AID administrator? He was going to be head of F and then the AID administrator – Randall Tobias.

MCCLLOUD: Right. I think he was the second deputy secretary of state. State has always had two deputy secretary positions. They hadn't filled the second. Or maybe they did at one time, but for the last two decades they hadn't filled the second one. I think this is when they made the administrator also the deputy secretary, and that was even above F.

He had an incredibly nice office over in the State Department in the old Department of War building, in the old State building, a beautiful office that was two floors in height. It was an odd time for AID bureaucratically. It was when our policy bureau fell apart. It was when we really became somewhat rudderless in terms of moving forward with about anything. The administrator didn't really have much experience doing this work.

Q: Who was the administrator at that the time? Was is Andrew Natsios?

MCCLLOUD: No, it was not Natsios. Natsios had a ton of experience. An early decision on the part of Raj Shah was to put back into place a policy bureau.

Q: And Raj Shah is the beginning of the Obama Administration.

MCCLLOUD: Right, the beginning of the Obama Administration. Although we did not have an administrator for at least a year into that administration. Shah's interest also was to get the budget function back into AID. He did set up a budget office in AID and brought in a senior manager to head it from OMB (Office of Management and Budget)

who was very familiar with AID. He knew our budget as well as we did. The newly created PPL bureau and the budget office were kept separate, partly because the budget head wanted to report directly to the administrator.

There's always been that tension in AID—do you put policy and budget together or keep them separate? It has organized both ways. I know that just before I left in 2015 they were thinking of putting it together again. I don't know where it stands.

Q: They have now.

MCCLLOUD: They have now? Okay.

Q: It was this new reorganization just this past month. It was announced the budget was coming back to PPL.

MCCLLOUD: Okay, well, give it some time. We'll see what they do. The small team I mentioned a short while ago created the policy bureau. We did it in about six months. We had PPC as a model. The agency had what they called the COO—Chief Operating Officer—who had an office and staff. They performed very rudimentary functions of a policy bureau. It was very rudimentary, and it was based in the administrator's office. That's what they had set up.

Q: And this was, I believe, the first year before Shah came in. There was an interim period where there was no administrator there.

MCCLLOUD: A year! The agency lived a year without an administrator.

Q: Yes. And so the COO staff, who were direct-hires, ran...

MCCLLOUD: Yes, functioned as the administrator's office. Right. Generally speaking, it is to any agency's detriment to not have political leadership because you are way down on the totem pole in an administration.

In six months, we put the policy bureau into place—staff, position descriptions, functions, the works. We even got office space. Needless to say, this was seen as a priority, and so they managed to get pretty much what we needed quickly..

It was still developing over its first three or four years and kind of finding its way, but it did well in certain areas. I think on the learning side, on the monitoring and evaluation, they were able to get really good people and bring back a lot of the skills and the emphasis that the agency used to have on monitoring and evaluation. They were able to bring that back, and they developed over time, I think, a lot of good information for missions to use. We had lost that ability to do really good evaluations and learning exercises so people knew what the agency had done in similar areas in the past, and what you can learn from that as you develop your programs for the future. They strengthened that substantially. They have strengthened the strategic function of the agency, I think,

through that. They are in the process of trying to strengthen the project development capability. The agency had basically become an entity that managed through contracts and grants. What you lose then is an overall picture of what you are trying to achieve and how you might use different contracts and grants working together to achieve that, which is what projects did. That ability had been lost in the agency. In fact, there was a whole generation of agency staff who developed without even having that knowledge. Now, they are trying to reinstate that knowledge.

Last year, I went to Vietnam to help them put together a major economic growth project. The Automated Directives System of the agency policies and procedures had just been approved, and they were using those new procedures which focus on putting a project together and having a certain discipline so that you know what you are trying to achieve and have some idea about what activities are necessary and how you will measure success, without being overly instructive about what to do. Important also is building into the design ways you can change direction with thought, but without a lot of effort, because you know everything is going to change. It is the nature of development. So I was in Vietnam, and I experienced firsthand the mission trying to make use of these newly developed policies and procedures, based on what many of us had grown up on in AID, and put them into actual practice.

Q: Right.

MCCLLOUD: That was fine. That was interesting to see. I think working on setting up PPL was certainly a worthwhile exercise and something that has been long lasting.

Q: Who else was on this working group?

MCCLLOUD: Susan Reichle headed it. Larry Garber managed day-to-day operations and the conceptual process. Susan was the person who was watching over us and making sure things were moving and clearing the way in front of us if we were running into problems.

Larry Garber was more the day-to-day, keep things going. We were a little concerned about that because Larry is not a career AID person, but he's very bright, and he knows what is important. He has worked in these kinds of areas. He had been a mission director. He knew this stuff, so it worked out well. Other members of the team brought specific skills and experience to the effort.

I am not sure how others became involved. I kind of stumbled onto it because I had a medical issue that was getting resolved but I had not been assigned permanently to any position. I was looking around for something, but I was being particular about what I would take. I happened to have a conversation with Larry Garber, who I knew well because he had been the mission director for the West Bank/Gaza program. He was starting to put his team together, so he said, "Well, why don't you come and do this?" So I did. It was fun but a lot of work.

As that was ending, I was contacted by a person who was leaving his job as deputy assistant administrator in OAPA (Office of Afghanistan and Pakistan Affairs).

Q: Oh, I know whom you mean... Charles North.

MCCLLOUD: Charles North, who also had been mission director in Russia. He was leaving his OAPA position in 2010, and asked if I would consider taking the position. My sense was, it was a job nobody wanted because it was painful. This is when the agency was staffing up in Afghanistan..

Q: A surge.

MCCLLOUD: A surge. Basically, we were hiring 40 staff a month to go to Afghanistan! That's hiring, right? You have a bunch of people—more than that—you have to sit through interviews. It turned out that we were hiring them without actually knowing what jobs they were going to. Our task, the office task, was to hire the people, ship them off to Afghanistan, and they would find out what job they had once they got there.

Q: My goodness.

MCCLLOUD: That's how it was working because things were moving far too quickly. Again, this is a situation where you shouldn't be doing a development program, but for political reasons you had to. One of the costs of it is weak management because you don't have time to manage it well. State Department was always calling to check on progress and to push us to move more quickly. This is when we had Richard Holbrooke watching over things on the State side with Pakistan and Afghanistan.

We had very few direct-hires working OAPA; most of the staff were contractors. There was a staff of about 40 people, but there were maybe only 10 direct-hires working there, and of those there were maybe five Foreign Service officers. They were anxious to have a Foreign Service officer in the front office. Larry Sampler was the other DAA. He knows a lot about AID, and he was a contractor, but he wasn't Foreign Service. When I first got there, Jim Beaver was the assistant administrator. He was soon replaced by Alex Thier, who is someone who had a lot of Afghanistan experience, though not a lot of AID experience.

I went into that job with the understanding I would not work on Afghanistan. I would only work on Pakistan because it became obvious to me, if I worked on Afghanistan, it would take up all my time. Afghanistan would just suck up whatever resource you put anywhere near it. That was not a good management situation. At first, I had to do some work on Afghanistan, mostly related to the hiring process, but I made the argument then that I couldn't manage the hiring process without knowing what people were going to do, without having a much better understanding of the needs and the environment. To put that level of effort in the work would have meant that I had little time to do Pakistan work.

So I successfully arranged to focus on Pakistan, which of course was a major effort on its own. The program had an annual budget of about \$800 million. It was a huge program. Very difficult to manage because Holbrooke, from his position at State Department, insisted on signing off, literally signing, the cover page of every project agreement. If he didn't sign off, we couldn't do anything with it. I had never experienced that level of control by someone outside of AID. Country ambassadors would want to know what an agreement is about, but rarely tried to micromanage events to that extent. As a result, others in State Department exerted undue influence and control over AID activities. They presumably felt like they were doing Holbrooke's bidding. We always had to negotiate things with them. The Pakistanis were equally difficult to work with. Just putting programs into place was difficult there. That was just the Pakistan side and State Department; we also had the congress to work with, and often its attitude, though understanding the politics involved, was that much of what we were spending in that environment wasn't worth spending anyway.

We did have some successful infrastructure programs. We did a lot of dam building because flooding is a serious issue in Pakistan. We worked well with the Pakistani agencies that did that. That was probably where we had the most success, infrastructure. Otherwise, it was not an easy environment.

Q: Did you go out there several times?

MCCLLOUD: I went there about four times a year, for at least two years.

Q: Who were the mission directors out there, if you can recall, during that time?

MCCLLOUD: Andy Sisson was there for much of my tenure. He was replaced by Jock Connelly.

What we also had, besides Holbrooke based in Washington, was a State Department position in the embassy to watch over all U.S. government assistance being provided in Pakistan. That position was there because there were a variety of U.S. government entities that worked there. The position was intended to bring together all US government programs and to make sure people weren't working at cross-purposes on the U.S. side. Ninety percent of what was being provided was done through AID, so that person in effect became a shadow AID director. That created a lot of tension. You would have to defend whatever you were doing to that person, as well as within your own organization. The State coordinator would always try to influence AID decisions, and would promote that person's own ideas about what should be done. It was just a very difficult management situation.

Q: So you were there two years handling OAPA.

MCCLLOUD: I was three years in OAPA.

Q: Those three years would have been which ones?

MCCLLOUD: 2010-2013.

Q: 2010-2013. Meanwhile, Roberta is finishing her two tours, or one tour, in Albania?

MCCLLOUD: She did one tour in Albania, came back, and returned to the E&E Bureau for a while, then moved over to the War College in Washington to teach for two years. She retired from AID once her War College time ended..

Q: But you weren't ready for retirement?

MCCLLOUD: Well, I should have been.

Q: [Laughter] We'll scratch that out!!

MCCLLOUD: In my case, I hadn't been a mission director at that point. I was interested in that experience. While I was in OAPA, I was looking around at what options there were. I put a bid in on the Ghana position. The Africa bureau came back to me and said they already had someone in mind. It turned out to be Jim Beaver. However, they were interested in my being in the bureau. They said there were two options. One was Nigeria, and the other was South Sudan.

Q: Two tough jobs!

MCCLLOUD: Right. I rejected the Nigeria job. I did not have an interest in working in Nigeria. South Sudan I had never thought about. I didn't really know much about South Sudan. When I had been in East Africa, South Sudan wasn't South Sudan. It was Southern Sudan, still part of Sudan. I gave it some thought and decided South Sudan sounded fascinating. It was a brand new country. It was a real development challenge—a place that has virtually no infrastructure. If you look at the health statistics and education statistics, they are certainly the worst in Africa and probably some of the worst in the world. It just looked fascinating, so I agreed on the South Sudan position.

I went out there and thoroughly enjoyed being there, even though we were evacuated while I was there.

Q: When you arrived in Juba, how long had the program been going?

MCCLLOUD: Probably about two years as a separate country program, just a couple of years. We lived on a compound. There were two compounds. There was a residential compound, and there was the embassy compound.

Q: You say "we." Was Roberta with you?

MCCLLOUD: No, "we" being staff. It was an unaccompanied post. She was in Washington. So there was the residential compound and the embassy compound. The

embassy compound was just offices. All the embassy staff also lived on the one residential compound. Interestingly, AID had the lease at both compounds—a little unusual when you are overseas. AID actually had the lease. AID also managed the ICASS process (International Cooperative Administrative Support Services), through which all GSO-related services were provided.

Q: Basically, it's dividing the financial expenses for all the administrative side.

MCCLLOUD: Right, it's how things get managed. AID did that. Our Executive Officer was really in charge of managing both compounds. The embassy didn't have a GSO. The embassy had a small staff. As it turned out, the DCM (deputy chief of mission) who was there had been a management officer in a different the embassy, so he knew about that function, but he had very different responsibilities as DCM.

On the residential compound, the ambassador had a house, and I had a house as mission director. We were the only two individuals who had our own houses. Everyone else was in prefab units. We did have tandem couples there, too. In fact, it was kind of interesting. We all managed to get along despite the close quarters, and it turned out to be a very positive living and working environment. We had a caterer and a dining hall you could go to. We all also had kitchens, so you could make your own meals as well.

As for the office space, people were in really small cubes. You couldn't even fit a second chair in. You had your computer terminal, some desk space, your chair, and three half-height walls to muffle the sound. Only a few of us had our own offices. It wasn't an easy work environment. And it wasn't an easy development environment. Getting around—to go any distance you had to fly. You couldn't drive. The roads—it would take you days to get anywhere. To fly, you ordinarily would end up going on some form of UN (United Nations) transportation, so you would catch a ride on some UN flight. The UN had a large refugee resettlement operation there, a huge one. It was partly because of the situation in Sudan, but also because of the food situation in South Sudan, and later because of internal turmoil. The UN had flights going all over the country; that was how we got around.

The political situation in South Sudan was very difficult. The president and vice president respectively represented the largest - Dinka - and second largest - Nuer - ethnic groups, and eventually they took up arms against each other. But it was not an ethnic battle really, but rather an altercation over control of the economic resources of the country, primarily oil. Let's just say that the two leaders were not the most ethical individuals.

The whole country basically fell into a civil war, and in December 2013 all but four embassy and AID staff were evacuated. As it turned out, I was out of the country at that time. I had flown back to the US for Christmas on leave. Five days after I left Juba, I received a phone call from my deputy director (then acting director) saying they were going to be evacuated in two days. Our army flew in two C-130s, brought in about 50 troops who occupied the compound, and then helped escort all the American staff out to the airport.

Q: Everybody was evacuated?

MCCLLOUD: Not quite everybody. They left about four people. The ambassador stayed. She stayed throughout the whole time. My deputy stayed throughout the whole time. Our EX/O stayed, and his assistant, who was a contractor. They had three direct-hires—three Foreign Service, and a contractor who stayed throughout the whole time and 50 US soldiers to provide protection. I was never there when our army was there. They left the week before I returned. I returned in March of 2014.

My experience there was disrupted, obviously. We were in the process of negotiating an arrangement where the government was becoming a little more forthcoming in terms of supporting the development work that all the donors were doing. There was a very good donor group. There were probably about eight international donors. We would meet almost every two weeks informally. We would have dinner or lunch or something every two weeks and consult with each other in an informal setting.

There was an international effort where countries would agree with donors to a certain set of principles that would guide how they would do development assistance. There was to be mutual agreement about principles between the individual country and related donors. The agreement involved donors easing up on restrictions or regulations as long as the individual country agreed to follow the principles. We were in the process of negotiating that with the South Sudanese, knowing they weren't quite there yet, but nonetheless we were trying to get them there when everything fell apart. A lot of my time there actually was spent dealing with other donors and trying to put this process into place.

We did have some interesting programs. Education was perhaps the most interesting because the education program was sorting out ways to provide services to the population that was migratory. There is a significant part of South Sudan's population that is organized around cattle herding, and these families were often on the move.. How do kids go to school? How do they get education? That was the focus of the education program, sorting out how to get education to these kids. That helped a lot when war broke out because suddenly people were moving in all different directions, not because of cattle but because they were escaping fighting. We tried for a few months to maintain the education program so that the children missed as little schooling as possible. Already in South Sudan there was what was called "the lost generation," children who missed significant amounts of schooling because of political turmoil. How do you deal with that and how do you get them services? It was interesting to see the adaptability the education program brought to the work they were doing. It turned out to be, I think, a good example for other countries because there are a lot of countries, more and more, that are experiencing these sort of internal issues.

Q: What was the content of the program? I know there was probably a lot of PL-480.

MCCLLOUD: There was a lot of PL-480. Interestingly enough, we were in the process of thinking through reducing that program for good reasons. We actually saw improvements

in terms of agricultural production, and we were consciously working to figure out how to use development assistance in ways that worked with the PL-480 activities to increase sustainability. We were transferring what we were doing under PL-480 to the development program so the activities being funded would lead to a more sustainable, longer-lasting program.

It also reflected the fact that we had too much money. We were being given \$300 million a year, and \$150 million was in food assistance and \$150 million was in development assistance. It was really hard to spend on the development side that amount of money. The environment in South Sudan was so difficult. If you went in to do something, you didn't want to go in and just do it yourself, which is the temptation. You wanted to do it in a way that had some knowledge transfer and skill transfer and buy-in on the part of the local populations. Simply getting around the country was hard. It was something where you had to start small and build up. If you went in full-scale, it was likely to fail. You would spend the money in a couple of years, and you probably wouldn't have anything to show for it, unless you did some major infrastructure. We didn't have enough to do major infrastructure.

Just as we were looking at ways of reducing our PL-480 programs, everything fell apart and we actually had to increase the program because so many people were moving into camps. There was no way they could be self-sustaining. That was unfortunate.

Often people try to make the conflict in South Sudan to be an ethnic-based conflict. It wasn't an ethnic-based conflict.

Q: Really?

MCCLLOUD: It was a political conflict over economic resources. It was the leadership of those groups who were interested in their own self-aggrandizement and their own self-interest. They were using the connections they had with their ethnic groups to do that. It was hard to separate out what is ethnicity and what is class and economics, but what a number of us saw there was that the leaders of the ethnic groups were really interested in their own self-interest. They were using their ethnic affiliations to promote their own self-interest. They were actually creating conflict in areas where there didn't have to be conflict. It may have taken some special effort to avoid conflict, but they were going in exactly the opposite direction. The problem and the difficulty between the leadership of the different groups was so deep, it really would have taken very special effort to try to resolve it. Our foreign policy didn't really take that into account.

Q: Were you involved or in touch with the leaders, or was it the ambassador?

MCCLLOUD: The ambassador. I wasn't. I was in meetings where the president was present. I'm not sure I ever met the vice president. The ambassador was the one, but not only the ambassador. There also was a special envoy, another ambassador who was to watch over the relationship between Sudan and South Sudan after South Sudan's

independence. This was similar to Richard Holbrook's status with respect to Afghanistan and Pakistan. And we were seeing it develop in the Middle East with Liz Cheney.

With South Sudan's independence from Sudan, most analysts thought the resulting problem was going to be a failed relationship between Sudan and South Sudan. Well, that was a problem, but in fact the bigger problem was internal to South Sudan. The State Department special envoy's specialty really was dealing in the relations between the two countries. His specialty was not, it turned out, with what turned out to be the problem, and that was the internal politics in South Sudan. That was the issue. The Sudan-South Sudan issue took a back seat to that.

South Sudan has oil. The quality of the oil is not all that good, but it has oil. All of it gets transshipped through Sudan, all of it. One economic issue—Sudan charged a fixed price per barrel of oil to do the transshipment. When the price of oil collapsed, the economy of South Sudan collapsed because they were suddenly paying almost as much to ship the oil out of the country as they were getting for the oil. Their oil revenue dropped substantially. One of the infrastructure projects they really wanted was creating a port in Ethiopia or Kenya from which they could export oil. There was a program idea about developing a transportation route south going through Kenya.

Q: So the mission was evacuated once while you were there, and I think it was evacuated a second time, maybe after you left? I know it was evacuated twice.

MCCLLOUD: It was done the second time. The first time, when I was there, we recreated the mission in Washington. We got space downstairs in the Reagan Building.

Q: In the basement!

MCCLLOUD: In the basement, where AID used to conduct training classes. Training had moved to Rosslyn or Crystal City. We got three rooms down there. I was given an office upstairs in the Africa Bureau space. We maintained mission operations. We didn't cancel contracts; we scaled them back. We had regular meetings with contractors. We got a room across the street from the Reagan Building where we had regular updates for contractors and grantees. We would keep them informed, but we didn't cancel any contracts. We reduced our budget—cut it in half, and tried to maintain a certain level of operations there. Then we went back. I went back in March.

Q: What year was this?

MCCLLOUD: In 2014. Some other staff came in, but very few people. It wasn't really until I left again in July that my deputy came back in. She took over for me. They built mission staffing back up to about 20 people by September that year. They brought people back in to manage the program. We had good direct-hire staff. We had some good local staff, but they didn't have the history of working with AID that you have in a lot of missions where AID has been in country longer. We were training the local-hire staff and

probably stealing them from other organizations. But we were having to train them. We did try to maintain operations as well as we could while we were evacuated.

Q: When you departed from South Sudan, was that your choice? You decided to retire, or what was the situation?

MCCLLOUD: I hadn't retired yet, but it was getting close to when I was going to retire. I went out under a one-year assignment. My family was back here, and I had decided not to stay on. They had gone through a bidding process to put a new director in. The ambassador was upset that we had only one-year assignments. The State Department had one-year assignments as well. She negotiated that the DCM was a two-year assignment, and that length of tour was extended to cover also the AID director, maybe deputy director as well. She really felt like you needed to be there for longer than one year. And it's true. From a work perspective, being there one year is not a long time. Technically, you can leave the country three times during that year, so you may be there for three months and then you are gone for a few weeks, and then you're there and you're gone, and you're there and you're gone, and then you're finally gone! A number of staff chose to stay two years. Living there was not too difficult, if you didn't mind not being able to travel too much around the country, and if you didn't mind small living quarters.

Q: The fact that there are no restaurants or no movie theaters?

MCCLLOUD: There are restaurants actually.

Q: You had a restaurant?

MCCLLOUD: My understanding is that during the early days, just pre-independence and independence, it was like a Wild West town because there wasn't much there. It attracted primarily younger international development people who worked hard and partied hard. It was kind of an interesting time, I guess. You could go out. We were allowed to go out. They would give you transportation.

Q: Any sort of conclusions on South Sudan? What you thought was working well and what was not?

MCCLLOUD: Well, the government wasn't working well. It's a case where logically you would not try to have a development program. There is very little you can do sustainably in terms of development. There's a lot you can do on humanitarian assistance. There probably is some development work that can be done, but you have to be really careful. You have to be persistent. You have to accept that you're going to have to change things often. I won't say it's not worth doing, but you cannot have the same expectation and definition of success. You can't have that expectation in that environment. You really have just the opposite. The expectation is that you probably won't succeed, but maybe you have to try it anyway.

Where you put your focus is awfully hard. It's sort of like regime change, right? You put your focus on trying to deal with the political environment because without a change in political environment, the development work really isn't going to help and the likelihood of your succeeding isn't very high. People can talk about doing health work and doing education, small businesses. We talked about all that. Encouraging investment in the country. How serious you can be about talking about typical development activities in that environment is questionable. In those situations, the agency has to primarily do humanitarian work, and then look at what is feasible. What it tends to do is say, "Well, here's a big budget because we know this country needs a lot." But that doesn't help. Big budgets don't help. They do need a lot, but if their political environment is such that whatever you do is unlikely to succeed, then are we just making ourselves feel better by putting money behind it. There are always entreaties to put a lot of money into those situations because they need it, but less than adequate appropriate thinking often is put analyzing the situation and determining what actually may work and help the country. That's my view on that kind of situation.

Q: Okay. Alright, you departed at some point?

MCCLLOUD: Yes, came back to Washington in 2014. The Foreign Service has mandatory retirement at age 65.

Q: Time-in-class?

MCCLLOUD: No, no. Age. There's an age limit some of us manage to get up to. I hit the 65-year-old mark. They had already had to extend me age-wise because I was still in South Sudan as director. They had assigned me, so they had to give me an age waiver. They gave the age waiver through October 2014. But as I was preparing to return, I initiated a discussion with one of my former bosses, Alex Thier who had been AA for OAPA and at the time I was returning to the US had become AA for PPL. I was talking with him about what work there might be to do, and he brought me into PPL to work on the revisions to agency policy and procedure for program and project development, implementation, and monitoring and evaluation. Three or four months earlier PPL had started rewriting the relevant chapters of the ADS, the Automated Directives System.

Q: Program assistance?

MCCLLOUD: Program assistance, project assistance.

Q: Project Assistance 202 or whatever it was.

MCCLLOUD: It was the ADS 200 series—chapters 201, 202, and 203. There was program assistance, project assistance, and learning, monitoring and evaluation. I agreed to assist, and then received an age waiver extension to December of 2015.

The intent was to complete that project by December of 2015. Their original project was very narrow, what they were looking at doing. But there was interest in the office of

broadening it to cover that whole series of ADS chapters 201, 202, and 203. The decision was made, “Okay, they are going to do the entire series.” That was going to take more time. We thought we could get it done by December of 2015, but that didn’t happen. My age waiver was out of validity at that point in time, so I ended up having to leave. They finished the job sometime in 2016.

Q: When you say “they,” whom were you working with on that?

MCCLLOUD: Well, it was PPL. They have the Strategic Planning Office in PPL, and it was that office’s responsibility. Alicia Dinerstein became the head of the office. She had been my deputy in South Sudan. That made it an interesting situation, but one that worked out well. Patricia Rader was the deputy assistant administrator to whom I reported. I knew her from ages ago. She was the DAA who watched over the Strategic Planning Office.

I worked with the staff of that office who were temporarily assigned or part-time assigned to getting this task done. We had extensive consultations in the agency as we did this. The draft chapters went out for comment. One reason the whole thing took longer was it was a very participatory process. It was decided we had to have buy-in within the agency in order to make this happen. We ran into some resistance because some staff saw the new regulations as causing more work, but most saw the value in a more rigorous project development process and in a greater emphasis on learning, monitoring and evaluation,

It was a major effort. It was all agency policy and procedure, with respect to putting programs and projects in place, and then doing monitoring and evaluation. You had a lot of special interest groups within the agency who wanted their pet interests addressed specifically. They wanted required assessments done in different areas. In the end, we were able to not have that. The only requirements that we set really were those that were legislated, outside of requiring that you put a project paper together that included specific sections. Anything external to that—there are some requirements that are imposed by legislation, so we had to put those in. Otherwise, we said anything else the agency wanted to include should put into a different section because it could change from one administration to another. We wanted to develop policy and procedure that wasn’t administration-dependent. We weren’t saying the administration couldn’t impose its priorities through policy and procedure, but it just had to do it in a way that allowed for change to take place in the future relatively easily.

Q: The flip side of that kind of modification is the procurement side. Were you working on the procurement side as well?

MCCLLOUD: We did. We worked with the Procurement Office very closely. We had a contact person there. It was interesting because at that time the procurement people were also interested in developing procedures that would be more development-friendly in the sense that you could change things more readily to adapt to changing conditions and requirements. One complaint they had from contractors was that we make them sign contract documents that are very specific, and then we get upset because they didn’t

adapt to changing situations. But if you look at the contract, there is no way they could do it under the contract.

Q: Right.

MCCLLOUD: So they caught on to that, and we're changing those procedures. We worked with procurement in tandem so they knew what we were doing and we knew what they were doing. We were able then to incorporate some of their ideas into what we were doing because suddenly it was allowed within the agency. When we talk about adaptable management, change management, we were doing that, and we were talking about that knowing that the procurement process would allow it, and, in fact, in some cases encourage. I have recently learned they now have mechanisms called IDIQs, which is indefinite delivery/indefinite quantity. Basically, it is saying, "We're going to hire you. We're not quite sure what we're doing, and we're not quite sure how we're going to do it, but we're hiring you to sort it out. Help us do it."

Q: Help us design it?

MCCLLOUD: Yes. That can be done well. You also need due diligence. It's not that you don't trust contractors. It's just that contractors have their priorities, and we have ours, and they aren't necessarily the same. So we worked closely with the procurement office. We worked closely with the lawyers making sure we weren't violating any statutes in what we telling people not to do, or encouraging them to do or not to do. And we worked with the budget people because projects require funding. In the end, it probably took at least two years in order to rewrite the ADS chapters. Interestingly, DFID, the British development agency, was about a year ahead of us. They also had done all this. They had gone through the same process, and we didn't even know it until we met with them, and they said, "Oh yeah, we caught on to these same problems. We addressed them in a way very similar to how you guys are coming up with."

Q: I'll be darned.

MCCLLOUD: It was fascinating how two major development agencies were both identifying the problems to be the same, or similar, and they also were cutting back on their regulations. That was part of what we were trying to do—cut back on unnecessary regulations and free things up. But what we were also trying to do was to get people to think more clearly about what it was they were trying to achieve, not what actions they were taking. Not just what contracts they were putting into place. What is it that you are really trying to achieve? Then you worry about how you are going to do it. It seems to have caught on.

Q: Good. So they finally lowered the boom on you and said you must retire?

MCCLLOUD: Yeah. I did try to get another extension, but they had stopped doing them. Age extensions apparently are very rare in the State Department. They don't do them. AID did them much more frequently. But then they stopped.

Q: Did they give you a gold watch?

MC CLOUD: No.

Q: [Laughter]

MC CLOUD: I actually chose to not even have a retirement party.

Q: Oh, no!

MC CLOUD: I went out to lunch with my colleagues from PPL.

Q: Oh! And that was it?

MC CLOUD: And that was it.

Q: How many years had you worked with AID?

MC CLOUD: About 28. Long time.

Q: A long career and quite varied—a lot of time in Washington, a lot of time in different bureaus.

MC CLOUD: Yeah, half the time in Washington, which is unusual. To me, what goes on in Washington is really important because that's where the agency gets its resources. That's where hiring decisions are made. There are all sorts of important decisions made in Washington. It's more fun usually to be in the field, so often people prefer that. And they feel like they are more productive in the field, which is possibly true. You would rather be working with your host-country colleagues than doing that same thing with your State Department colleagues or your NSC colleagues. With the host-country, your work may seem more relevant and more tangible.

One other thing I think that characterized my career is that I was in more political situations than AID staff are generally. My Egypt work, my Middle East work, my OAPA work, even to some extent the South Sudan work, all were in very political environments. And during those major chunks of my career I feel like I dealt with State Department more than I did with AID.

Q: Any conclusions on how you do that well? How to work with the State Department well?

MC CLOUD: Hmmm. You have to be upfront with them. That's one thing. There's always a suspicion that AID is hiding things. I remember very clearly in one meeting, and it must have had to do with Holbrooke and OAPA. One of his staff accused us of hiding money. I said, "We're not hiding money." He said, "You're hiding money, and don't tell

me you are not hiding money.” He wouldn’t have it. He wouldn’t hear of it. He was assuming we were hiding millions of dollars from State because we wanted to program funding differently from how they wanted to program it. We would face that. Interestingly, generally at the staff level within State Department, I found they were much more respectful to AID. They saw that State Department has a function to play, and AID has a function to play, and they’re different functions, both necessary, and each takes a different set of skills. Staff in the State Department often are aware of that, and they were respectful of that. I found that level of respect far less frequently when dealing with the political appointees in State Department. It was always a balancing act of being forthright and not giving in simply because State saw itself as AID’s boss. Not giving in didn’t always work because they controlled a bit more power than we did.

Q: Right. In terms of positive things you look back on, what do you see as some of the highlights of your career?

MCCLLOUD: In Egypt, putting together a 10-year plan that actually stayed in place was pretty amazing. Again, what interests me in that is not only the fact that we had to make programmatic decisions for the 10 years, but the basis for it was a political basis. We were handed this political result that the U.S. government wanted to achieve and had input into how that was achieved. And we did it in a development way. To me, that’s a lot of what AID does in those environments. That’s what we did in Pakistan, where we were getting this huge amount of money. State wanted it spent in certain ways, and we thought it should be done in other ways. There also were negotiations within AID about program direction, and with host country governments. I think that participating in that process and being able to represent AID’s interest in it was both challenging and certainly rewarding when it actually succeeded. I’ve always been interested in politics, so this has been a nice mix of development and politics.

Q: I’m sure you now run across, from time to time, young people who are thinking about going into international work. If they ask you, “Should I consider joining AID as an organization?” what do you tell them?

MCCLLOUD: I think working in government in the current political environment is difficult. But I think from the standpoint of AID as an organization, yes. You have very professional people. You have experienced people working there. You have people who have good academic qualifications, doing good work. You have an organization I have always found—on the personnel side with respect to Foreign Service officers, because that’s a separate category—to be helpful in accommodating special circumstances. People complain about the HR function. There is bureaucratic stuff that is a pain. But the important things like where are you going to spend the next four years and getting assigned there, and what do you do if both husband and wife work there and you have a kid, how do you deal with that, and what happens when somebody has a medical issue and you have to get reassigned—they managed all that to me very well. And assignments themselves always went well. I think the staff, an officer, has to take a certain role in all of that. You have to watch how you play out that role. You don’t want to make promises to too many people that you can’t keep because they will remember when it comes next

time for an assignment you may not get it because you said you were going to go somewhere and then you didn't do that. I think as long as the employee takes responsibility, I have found the agency to treat people well. I have always encouraged people to work with AID. I think it's a good organization.

Q: Good. Well, after your non-retirement party, did you say, "I'm going to really retire" or have you been looking and doing other things?

MCCLLOUD: I decided I would want to do other things, and I wouldn't mind working probably six months of the year. There are things I don't want to do that helped define this. I don't want to go someplace and be acting whatever. Often, what happens is, the agency needs an acting director or an acting program office director, something like that, because they are in between assignments or it's the summer or whatever. I'm not interested in that. I couldn't take on a long-term overseas job. There is always chief of party or some position on some overseas assignment, but just for family reasons, I couldn't do that. So I decided against that. The jobs I have always been interested in are either things here in Washington that I could do or, if overseas, short-term assignments—design work for projects, project evaluations, special studies that a mission may want done. That's what happened last year. So far, I haven't looked for anything. People come to me. I'm going to probably start looking. My other priority is my 97-year-old mother, who needs all sorts of attention. That is the first priority. That's one reason I don't want to be out of the country more than three or four weeks at a time.

I ended up going to Egypt to do a staffing assessment, which was a three-week assignment plus another three weeks writing it up. That worked well. That was fine. It was an environment I knew really well, so that helped. And then there were two three-week trips to Vietnam plus another four or five weeks working back here putting together the economic growth project design. That was perfect. That worked out really well. Also, I've worked with one contractor putting a proposal together. That's been good. Last year, I did manage to do almost six months of work with Egypt and Vietnam. This year, I haven't done anything, but I've spent much of my time in Pennsylvania with my mother, so I haven't had time to do much else. I'm relying on Roberta now. She's doing India work, Pakistan work, Zimbabwe work.

Q: There are advantages to two-career couples!

MCCLLOUD: That's right. Definite advantages.

Q: Anything else, David, you would like to add.

MCCLLOUD: No, I think that's probably it.

Q: Well, thank you very much. I think this has been an excellent interview.

End of interview