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**ANDREW NATSIOS**

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## INTERVIEW

*Q: This is Carol Peasley interviewing Andrew Natsios. We are in College Station, Texas. The date is April 24, 2018.*

### **Childhood and Early Background**

*Let's get started, Andrew. Maybe you could start by talking a little bit about your childhood and youth, where you were born and brought up, education, and then evolving into how you ended up with the career that you ended up having.*

NATSIOS: My family emigrated from Greece in the early 20<sup>th</sup> Century. In 1905, my namesake, Andrew Natsios, emigrated, and my mother's parents in 1907.

*Q: Was Andrew Natsios your grandfather?*

NATSIOS: Yes. He could broken English, and was illiterate in Greek and in English. He worked in the mills in Lowell, Massachusetts, for 60 years until he was 74 years old, making about seven dollars a week. He walked to work, never owned a car, and lived in tenements. He and my grandmother had five sons, who all went to college and became professionals, and one daughter. All their children rose to the middle class, mirroring the remarkable story of many immigrant families in the United States.

Two of my uncles participated in the founding of the Central Intelligence Agency (CIA) under Allen Dulles in the late 1940s, during the Greek civil war. Though they were born in the United States, these uncles learned perfect Greek in the tenements of Lowell,

which was 20% ethnically Greek in those days. Because of this, they could enter Greek villages during the civil war without exposing their American origin. Allen Dulles was a genius in recruiting Americans from various ethnic groups into the CIA in those early days.

My uncle Nick served as station chief in four countries, including Vietnam in the late 1950s and early 1960s, under Henry Cabot Lodge. My uncle warned against trying to get rid of Ngo Dinh Diem, but Embassy ignored him. My uncle Jim was also a station chief, in Tunisia I believe, and met George Bush when he was CIA director. Jim is 90 years old now, and is the last living brother of my father. My father was a textile chemist for the U.S. Army's Quartermaster Corps research labs in Natick, Massachusetts. He designed the materials used for astronauts' suits used for the lunar landing, as well as the camouflage for the first military uniforms used in Vietnam.

When I was six years old, we moved to Holliston, a small New England town about 35 miles west of Boston in eastern Massachusetts. This is where I grew up, eventually serving as a state representative in the Massachusetts legislature for 12 years.

I have two very different roots. On one hand, I come from an immigrant family. On the other hand, I was brought up in a town comprised of Anglo-Saxon, Irish, and Italian whites—half the town Protestant and half Catholic with a small Jewish community. As I was raised in the Congregational Church, part of me is still the Puritan from New England.

*Q: [Laughter]*

NATSIOS: Though I went back to the Orthodox Church in 1998, I was brought up in the Congregational Church, the Church of the Puritans and Pilgrims in New England. My parents sent me there when I was six years old, so I didn't have a choice. Still, I was very active in the church. I served on the board of deacons. We had mission groups. When I was a kid, the Congregational Church was involved in supporting the Heifer Project, an NGO out of Arkansas that does work with animal husbandry in developing countries. We used to give money and read all the stories about the people in poor countries who received animals from Heifer. That was my first sort of connection to development work.

My American-born, ethnically Greek parents had not been to Greece before 1963, when our whole family visited. That was my first experience in a very poor, developing country, which is what Greece was at the time. I was 13 and my sister was ten. In my grandmother's city of Trikala, in central Greece, we saw an open casket funeral for a baby where the family was in a procession through the village to the cemetery. My sister saw this and was in shock over it. She stopped talking for a couple of days, and we didn't know why. My mother had to explain to my sister why this had happened; she explained that babies aren't supposed to die, but this happens sometimes. Greece had high infant mortality rates in those days, perhaps as high as 60 per thousand births. But now, Greece, despite all the political chaos, has Western levels of health indicators. Life expectancy in Greece today is 81, while in the U.S. it is 78.

Following the civil war in the 1940s, a large US aid program was established in the 1950s through the 1960's as part of Truman's Point Four. The program focused on encouraging tourism, building roads, and modernizing the agriculture. When we visited Greece my family stayed in some of the government-run hotels, which were products of the program's work to build the tourism industry. Even as a kid, I remember seeing this USAID work in Greece.

I went back a couple of years later, when I was 15, to stay the summer of 1965 with my uncle and his family; he was serving in the US consul general office in Thessaloniki. In the early 1960s in Greece, there were very few cars in the villages – only donkeys. We saw some evidence of malnutrition, but not overwhelmingly so. The only place we could get milk safe to drink was the American Farm School, which USAID has been supporting since 1962, because they used Western methods for homogenizing and pasteurizing the milk. Though the school had been established in the 1920s, I remember the American Farm School workers saying that USAID was responsible for modernizing the process and making the School the center of the dairy modernization effort in Greece. It's still there!

When I returned to Greece years later, I found that it had become a developed country, with living standards similar to those in Western Europe, in just 30 years.

*Q: Greece was the centerpiece for Point Four, right?*

NATSIOS: Yes, it was. Greece and Turkey were emphasized because of Stalin's threat. Even as a kid, I knew that. My great uncle, Demetrios Karadimas, died of starvation during the Nazi occupation of Greece, when a famine killed almost 500,000 Greeks, according to Oxfam which was created in Oxford, England to respond to the Greek famine. Almost eight percent of the population died of starvation during World War II. My father used to tell me the story over and over again growing up: when I didn't want the food served to me at home, he would say, "Remember your great uncle," and "Eat your dinner!" This wasn't a distant idea. This was something that was very real. And I knew the children and grandchildren of this great uncle. It was a very personal matter.

During my visit to Greece when I was 15, I learned of the atrocities committed during the Nazi occupation. Human rights abuses were very recent in people's memories, and still felt sharply in the villages. During the occupation, whenever the Greeks would kill a German officer, the Nazis they would take every tenth man out of his home and shoot him. The country was filled with mass graves. All of this had a deep impression on me, and influenced my worldview. I realized that the rest of the world wasn't the same as my hometown in Massachusetts.

*Q: Right.*

NATSIOS: I went to Georgetown University. Though I went to the College of Arts and Sciences and not to the School of Foreign Services, I took courses in international

relations. I loved history, and took every opportunity to take course in it. Whenever someone would come to Washington from abroad, I would go to hear them speak. I remember when King Hussein of Jordan spoke. We had ambassadors come to speak as well, and everyone would go to listen to them. So, I got exposed to the world through Georgetown as well.

*Q: Didn't Hussein's son go to Georgetown?*

NATSIOS: Yes, he did. His name is King Abdullah, and he's very proud to be a Georgetown alumnus. He also went to Deerfield Academy in Massachusetts, and is trying to set up a Deerfield Academy in Jordan. He asked us for help, and I asked him, "You want to create a Deerfield in Jordan?" He said, "Yes, it was a wonderful school, Mr. Natsios. We need to have one here!" I responded, "We [USAID] don't do elite schools!"

*Q: [Laughter] Right, that's something for the private money.*

NATSIOS: Yes. Anyway, that's part of my early life. My father skipped three grades in school. He should have gone to MIT (Massachusetts Institute of Technology), but he said, "I was afraid they would never accept someone like me into the school in the 1920's and 30's." But he was a brilliant man –much smarter than me. He had a deep interest in the world, and so I got lectures every night on what Khrushchev was doing, or Eisenhower was doing. He made me watch Eisenhower's speeches and Kennedy's speeches on television. He took me to town meetings when I was a kid. I was 15 years old at my first town meeting, and was fascinated with how the people would get up and debate. I fell in love with it. That was my early life.

### **Massachusetts Political Life**

Then I ran for the [Massachusetts] House of Representatives when I was 22 and lost.

*Q: For state legislature, after you finished Georgetown?*

NATSIOS: Yes, after I finished Georgetown in 1971.

*Q: So you returned to Massachusetts?*

NATSIOS: I returned to Holliston. I had actually been in ROTC (Reserve Officer Training Corps). I was supposed to go to Vietnam, but in the middle of Infantry Officers' Basic Course (IOBC) training at Fort Benning, Georgia, I was told go back and join a reserve unit. Nixon had issued an order Vietnamizing the war. This basically meant, "We don't need you." I joined a civil affairs unit in the Reserves in 1972. One of our jobs was training the Jordanian military in peacekeeping, but we took trips abroad for a variety of military purposes.

*Q: I know you were mobilized.*

I was mobilized when I was director of OFDA (Office of U.S. Foreign Disaster Assistance) in December 1990 to serve during the Gulf War. I was executive officer of the Kuwait Task Force that planned the reconstruction of Kuwait.

*Q: So you lost your first election?*

NATSIOS: I lost my first election, by 76 votes in the Republican primary. I was 22. I ran two years later and I won, when I was 25. Someone told me that this seat—the physical chair and the desk, not my district—was held by Calvin Coolidge. For 12 years I told all of my constituents when they visited, “I have Calvin Coolidge’s seat.” Until, finally, someone said, “Calvin Coolidge never served in the House.” I responded, “I’ve been misleading my constituents all these years?” So I ran to the State House library, and I looked up the seat assignments. Coolidge served one year in the House in 1909; he and I did indeed share the same desk and chair separated by 65 years. .

*Q: Okay, good!*

NATSIOS: So I did not mislead my constituents. I had his physical chair and his desk. After his time in the State House, Coolidge ran for the state senate, president of the senate, and went on to become Lieutenant Governor and Governor. Then he ran for Vice President with Harding and then became President.

*Q: How many years were you in the state legislature?*

NATSIOS: Twelve years.

*Q: Twelve years in the state legislature?*

NATSIOS: Andy Card and I both ran in 1972. We lost. We both ran again in 1974 and won.

*Q: Is he more or less the same age, or is he a little bit older?*

NATSIOS: He is two years older than me. He looks younger, but he’s older. *[Laughter]* He has been one of my best friends for 45 years now. Of course, he was deputy chief of staff under “41” (President George H.W. Bush), and then chief of staff under “43” (George W. Bush). Sometimes, President Bush, “43,” would ask, “So, how is your AID administrator doing?” The president had a somewhat sharp sense of humor. Andy would say, “He’s not my AID administrator, he’s your AID administrator!” “43” would say, “I know that, Andy! How is Andrew doing?”

I got involved in politics when I was very young. I was elected Massachusetts Republican Party Chairman when I was 29 years old, becoming the youngest party chairman ever elected in the state, in either party. That was in 1980. The job was education by fire. I spent almost seven years as chairman and our job was to rebuild the party which had virtually collapsed. People forget that Reagan and Bush won in Massachusetts in both



1980 and 1984. It was unbelievable what I went through. I would rather be in Sudan in the middle of a civil war than party Chairman in Massachusetts! State politics is a blood sport in Massachusetts, much more than in any other state. They say the reason there are so many Speakers of the U.S. House from Massachusetts (in the post-WWII period there were three) is that, if you can survive Massachusetts, you can do very well in Washington. I wrote about my work as party chairman in an article for the *New England Journal of Public Policy* called “On Being a Republican in Massachusetts: Notes of a Party Chairman”.

<https://scholarworks.umb.edu/nejpp/vol6/iss2/5/>

I was the co-chairman of George H.W. Bush’s campaign in 1980 when he ran against Ronald Reagan. Bush called me on the phone to recruit me, but I thought it was one of my college friends playing a joke. I was going to hang up on him. I asked him about what we should do about the ayatollahs in Iran—this was 1979—because my uncle was stationed in Tehran with the CIA and had headed the anti-drug effort in the Middle East. He knew the Shah very well. Bush told me, “These guys are crazy, the ayatollahs. We’re going to regret not intervening.” I asked Bush, and he went into great detail. I said, “This is obviously not a friend of mine playing a joke.” Thank heaven I didn’t hang up on him. [Laughter]

I tied my career to him early on. He was only polling at three percent, and I was told, “This guy’s going nowhere. It’s a terrible mistake, Andrew. You should have joined Ronald Reagan’s campaign.”

I had also volunteered for Howard Baker’s campaign, but I didn’t hear from him for six months. I was a sitting legislator and he didn’t respond to my letter for six months which is how disorganized his campaign was. The day that Bush announced his campaign leadership, Howard Baker’s office called, “We would like to talk to you.” I said, “It’s a little late. I already made another commitment. You didn’t answer my letter.” So it was also a remarkable set of events that led to where I am now.

*Q: Right!*

NATSIOS: The presidential campaigns drew me into foreign policy as well, because when I represented Bush at events, they didn’t just talk about domestic policy. It was the height of the Cold War. I would have to speak on foreign policy, and I had to become more familiar with it.

*Q: Just go back. Reagan won the nomination. Were you at the Republican convention in 1980 when everyone was surprised he chose George Bush?*

NATSIOS: I was at the Republican convention, yes. I have to tell you a story. I went up to George Bush’s suite to give him my condolences for not being chosen to run for Vice President because we had heard Gerald Ford was Ronald Reagan’s choice for vice president. I went up to his suite to say, “I’m very sorry, Ambassador Bush.” As I was

walking into his hotel room, Dorothy “Doro” Bush, his daughter, walked out. I said, “Can I talk to your father?” She said, “No, no, no. Governor Reagan just called. I think it’s to say I’m sorry, you’re not going to be the VP.” She was not in tears, but she was very depressed. All of a sudden, as I was walking out, people started yelling. I said, “What’s the matter?” She said, “Governor Reagan just asked my father to be the vice presidential nominee!” This was at 12:30 pm. I took the elevator down, and ABC News I think there in the lobby. The reporter asked, “And who are you?” I said, “I’m Andrew Natsios, the Republican Party Chairman in Massachusetts and had been the co-chairman of the Bush campaign in the state. Governor Reagan has just asked George Bush to be his vice president.” I got to the convention, and they said, “Andrew, you’re on national television!” I said, “My one time on national television, and it is 12:30 at night. No one’s watching television!” They said, “We are. We all have TVs. The whole delegation is transfixed by it. You got to announce it!” That was my one claim to fame in that campaign.

*Q: I hope you didn’t get in trouble for announcing it too soon?*

NATSIOS: Well, you know, Reagan appeared about 10 minutes later and was on the podium. I don’t think he knew who I was. I was obscure enough that it didn’t make any difference. Those were the days.

That began my career in national politics. Andy Card wisely left Massachusetts politics in 1982 to join the White House staff of President Reagan. I stayed, which was probably the wrong decision in terms of my career. But when Bush won in 1988, Peter McPherson convinced me to come to Washington. I had known Peter as a student at Georgetown. He was involved in the Young Republicans with me, and I had helped him with some of the party organization. My introduction to AID in an institutional sense was through Peter McPherson, who told me he would arrange a job at AID for me. The AID administrator at the time, Alan Woods, was dying of cancer. Peter was Administrator of USAID under Reagan, then Deputy Secretary of the Treasury under Jim Baker, and later President of Michigan State.

In 1988, Andy Card called up Alan Woods and said, “The president wants Andrew to be the Assistant Administrator for the Latin America Bureau in USAID.” He added, “He speaks a little Spanish, but not very well.” Alan did not want me in that position; he wanted a Latin American specialist, and Jim Michel eventually took the job. But Alan called me several times to urge me to become the director of OFDA. I said, “I’m not interested in OFDA. I don’t even know what it is.” But I knew democracy programs from my time in state politics. Democracy and governance has always been an interest of mine, since my time working at the state level.

**Director of USAID Office of Foreign Disaster Assistance (OFDA) and Assistant Administrator for Bureau of Humanitarian Affairs (BHA) – 1989 – 1993**

The White House called Alan Woods three times about the position. Andy told me: “Alan is terminally ill, and he’s going to make his own choices. You need to take this OFDA

job, and we will move you later on.” When Alan died about six months later, Andy called me up and said, “We’ll move you now.” I said, “No, I don’t want to move. I like this job!” Alan Woods later told me that the OFDA would be on mass media around the world doing disaster response in civil wars and famines, and he wanted someone who could interact with the media, the Congress and make decisions quickly.

*Q: You liked it!*

NATSIOS: I told Andy, “This is the greatest job I’ve ever had. I have a white hat on all the time now.” In politics, you have to take controversial positions, but at OFDA, I was saving people’s lives. That was my introduction to AID.

*Q: That’s great. Alan Woods probably doesn’t get remembered enough.*

NATSIOS: That’s true. He doesn’t get remembered enough.

*Q: I know he really tried to get the agency more focused on economic growth.*

NATSIOS: Yes, he did. The Woods report.

*Q: The Woods report, which was a very important document.*

NATSIOS: Yes it was.

*Q: Did you get involved in that at all?*

NATSIOS: No. That was done before I got there. I did read it. Because I’m more conservative—the conservatives believe economic growth is the way to reduce poverty—I was attracted to the idea of the report. I said, “Why is there a big debate about this?” The AID staff told me about the competing “human needs school” of development thought. I didn’t know what that meant at the time in any detail, but since I teach development theory now, I understand the roots of all of these different schools. In my development theory and practice course, I review the nine schools of development that have evolved since World War II, and the human needs school is one of them. Another, often competing, school is the Washington Consensus that AID helped implement through Peter McPherson. People think the World Bank orchestrated that, but it was AID was much more involved in economic reform of the 1980s than is commonly understood.

*Q: Peter talked about policy reform long before.*

NATSIOS: Long before the Bank did.

*Q: I think most people from AID during the McPherson era still remember the four pillars.*

NATSIOS: Yes! I don't know if you remember this, but I think it was Holly Wise who had a new four pillars poster made. It had the GDA (Global Development Alliance) public-private partnerships, the Global Health Bureau, the DCHA (Democracy, Conflict and Humanitarian Assistance) Bureau, and the EGAT (Economic Growth, Agriculture and Trade) Bureau. Those were the four pillars, which were different from the ones Peter used. I said, "Well, we didn't really discuss this, Holly." She said, "No, but this is part of your reorganization, and the GDA is important." She was running it, of course. We actually used those posters for the first year after the reorganization.

*Q: [Laughter] Different pillars. So you went to OFDA, and it obviously captivated you. What were the first emergencies? I know that ultimately you got heavily involved in East Africa with Ethiopia, Sudan, Somalia, all of that.*

NATSIOS: There were emergencies the first week on the job. Julia Taft had the job before me, and was quite well-known in Washington. She said, "Andrew, you know we'd have a fight over this job." I said, "No, we wouldn't because I wouldn't have taken the job if you had continued." Her husband –Will Taft, great grandson of President Taft— had taken a job as ambassador to NATO (North Atlantic Treaty Organization), and she was going with him. She said, "I'm bequeathing the office to you." She became one of my best friends in the humanitarian response world.

The first week on the job, three things happened. There was a terrible train explosion in Ufa, in the Soviet Union, and a plane blew up because of a gas line break. Eight hundred children were killed, and I think hundreds were badly burned. We sent Shriner's Hospital burn teams over because the Russians were using old technology to treat burn victims, and the kids were dying. The team stayed longer to redesign the curriculum in the medical schools and instruct the Russians on the different technologies appropriate for children versus adult burn victims.

The Tiananmen Square massacre was the same week. President Bush's office called and said, "The President wants medical help for the students." So I called the Chinese embassy, which denied any riot or violence, claiming the media had made it all up. They insisted that there was no one who needed any medical help, and told us that our planes would be refused landing at the airport. I called Professor Edwin Reischauer at Harvard, a scholar of East Asia who I had studied under as a master's student at the Kennedy School, to ask for help. He told me, "You don't understand politics there. You're not going to convince them." Then, I called the office of John Fairbanks, the leading Harvard scholar on China. He told me the same thing: "You're not going to get your teams in, so give up."

Also that week, John Garang, the leader of the southern rebellion in Sudan, visited with his Dinka bodyguards (who were over six and a half feet tall) and Francis Deng, who had been the deputy foreign minister of the northern government in Sudan, but was a southerner from the royal family of the Dinkas. At that time, I knew where Sudan was on the map, but that's it.

*Q: Yes.*

NATSIOS: Bill Garvelink took me on my first trip to southern Sudan, and I was sort of in shock.

*Q: Was Bill, at that point, the deputy?*

NATSIOS: No, he was the director for field operations.

*Q: Okay. And he took you on your first trip?*

NATSIOS: He took me. I didn't have a deputy, actually. Later, I hired Dayton Maxwell because I couldn't do it all alone. The whole world was blowing up at the time, and there was a massive increase in our budget. The budget of OFDA when I took over was \$20 million a year with 45 staff (by the time I left OFDA the budget was \$200 million from a supplemental budget and we had 60 staff). Today, it is \$2 billion with 700 staff.

*Q: It says a lot about the world, doesn't it?*

NATSIOS: Yes it does. I didn't know anything about civil wars, other than our civil war in the United States, which was not quite the same thing. I didn't know about famines, except for the famine that had killed my great uncle in Greece.

It was the aftermath of the famine in southern Sudan that killed about 250,000 people, mostly teenage boys. I didn't understand at first why teenage boys would be the ones to die. But it had to do with cultural practices in the south regarding bride price. The boys, in order to get a wife, had to pay 150 cows (South Sudan was a cattle culture) to a girl's family. This meant that boys were a drain on the wealth of a family under stress. Families wanted to protect the girls and shed the boys. And that is what they did: About 50 percent of those shed boys died, and the rest went to camps in Ethiopia, as the Sudanese government had stonewalled the relief effort. These camps became the recruiting grounds for John Garang's new army, which I cover in my book which is a brief history of Sudan. In that sense, the Government of Sudan, which was fighting against Garang, unintentionally created the conditions for him to recruit fighters.

Anyway, so that was my first week on the job!

*Q: [Laughter] The first week!*

NATSIOS: I didn't go to Sudan until a couple of months later, but that was my first international trip. On the same trip, I went to Mozambique, which was in civil war. I also went to Ethiopia, which is where I met Bill Pearson, who was the mission director there. This was just after Mickey Leland, the Congressman from Texas, died in a plane crash in Ethiopia along with several USAID staff.

Fritz Gilbert was the mission director in Khartoum in 1989. I stayed with the U.S. Ambassador, Norm Anderson, who they say was the best Arabic speaker in the State Department. That was my first introduction to the politics involved in the Sudan conflict.

*Q: Right. You said John Garang had come to the U.S., so there was a lot of support for him from the religious community?*

NATSIOS: Yes, there was, from the religious community in particular. The church groups were very involved. People say it was just the evangelicals, but the Catholics and Episcopal Church were involved as well. It was all of the Christian churches, and actually, the Jewish community was very involved, too.

This was 1989. I met Roger Winter at this time, who later became director of OFDA and then the DCHA bureau. He headed the U.S. Committee for Refugees for 20 years. It was not a religious NGO, but Roger was a very devout Christian and that motivated some of his moral crusade for the southern Sudanese.

*Q: Right, right, because it really became almost a religious freedom issue.*

NATSIOS: Yes, it did. Absolutely. That was my introduction to the world—three civil wars.

*Q: Did OFDA at the time in 1989 – 1990 when the Berlin Wall fell also work in Eastern Europe?*

NATSIOS: We were deeply involved in that. Oh, yes.

I went to the Soviet Union and met, as OFDA director, General Vladimir Govorov, who was the deputy minister of defense. He was a five-star general. His father, Marshal Leonid Govorov, led the defense of Leningrad during World War II and was Stalin's favorite marshal. General Govorov and I became very good friends. The first time he came to the West, he visited our house, and we had a barbeque for him. A young guy in his 30s, named Sergei Shoigu, was with him. You know who the defense minister in Russia is now? Same guy. So the current defense minister of Russia was at my house for a barbeque in 1990.

We took them all over the country, and General Govorov was impressed. He said, "It's unbelievable, the wealth." I said, "You mean you went to the malls?" He said, "The malls are irrelevant. It's the infrastructure. It's the airports and the dams and the bridges and the superhighways you have." That's what impressed him. He said to me, "We should never have stopped competition, and we should never have started the Cold War. It's very obvious you are much richer and more powerful than I had realized."

He was also amazed when, at the airport when we came back from California from the trip, all our families were there. I asked him the reason for his surprise. He said, "We were told all families in America were broken families, the children were out on the

streets, everybody was a juvenile delinquent, and your whole social system had collapsed!” I said, “Who told you that?” *[Laughter]* He said, “Well, I realize now a lot of the things I’ve been told through our propaganda were not quite true!” He also noted that, on Sunday, everybody was coming out of the churches. I said, “Isn’t that what normally happens on Sunday?” He said, “No. We were told that all your churches were dilapidated, and there was moral corruption in your society. We should never have suppressed the Russian Orthodox Church. It presented moral teaching, but we lost that during the Soviet period.”

The State Department told me, “Ask General Govorov about any rumors of a coup, or if there would be any attempt to overthrow Gorbachev.” We met in my bedroom because the rest of the Russian delegation was outside eating the filet mignon. They said, “This is beef? We’ve never eaten beef like this!” I said, “This is American beef. It’s a little different.”

*Q: [Laughter]*

NATSIOS: Govorov didn’t speak much English, and his translator who translated for us in the bedroom was a colonel in the army. He said, “I want to just tell you that this is my childhood friend. He is not a KGB agent. Nothing we say here will ever get back to anyone. He’s completely loyal to me.” We talked for an hour. I kept asking him, “Would you support a coup?” I didn’t know why the State Department wanted to know.

He and I became good friends. I visited him when I was vice president of World Vision in the mid-1990s. The coup attempt had then taken place against Gorbachev. I finally understood why the State Department had me ask about it. Govorov was deputy defense minister, and was in charge of their FEMA (Federal Emergency Management Agency), domestically. That’s why we invited him to the U.S.

*Q: Okay. I was going to ask if that was the reason?*

NATSIOS: That’s the reason. FEMA in Russia was military, and he was in charge.

*Q: Right.*

NATSIOS: That’s why we invited him. But he had two other jobs. He was a member of the Duma, elected to the parliament because his name was so famous. It was sort of like Dwight Eisenhower or George C. Marshall’s son. . Second, he was in charge of the Moscow garrison, which meant he controlled all military forces within 50 miles of Moscow.

I saw him after the coup when I had left AID to join World Vision. We had a private dinner in Moscow, with the same colonel who had been the translator at the barbecue, in a giant restaurant. There was no one seated around us. I now realize he instructed that no one be seated near us while we talked. He said, “I told you when we last met that I would not support a coup, and I kept my word.” I said, “I want you to explain that to me, just so

I don't misunderstand it." He said, "Well, you don't know this, but I was the commander of the Moscow garrison." I said, "Well, actually, the State Department did tell me that." He said, "I ordered the troops to stay in their barracks, or this coup would have succeeded." He said all the coup plotters were drunk, which he was disgusted with. Govorov himself did not drink; when we would give toasts, he would put a glass up but not drink anything.

I told the story to State, and they told it to the CIA, and they said, "Are you saying that OFDA prevented the coup from happening?" I said, "I'm just saying we played a small role!" I think Govorov made his own calculation, but the contact did make some difference. That's one of my favorite stories, actually.

Later as AID Administrator in one of my last trips abroad I visited Russia I think in 2005 and went to see the Patriarch of the Russian Orthodox Church at the Zagorsk Monastery outside Moscow to ask him for his help in combating the AIDs epidemic that was rapidly spreading in the country. After that meeting Kent Hill, Terry Myers, and I had dinner outside the monastery walls with Govorov and a Russian Orthodox monk who was our guide. Vladimir and I reminisced, and at the end he hugged me and said "this I fear is the last time I will see you my friend" and he began sobbing. He died 6 or 8 months later. He had led the effort to contain the Chernobyl melt down as the director of civil defense, and had absorbed enormous amounts of radiation which I think later may have caused the cancer that ended his life.

*Q: Right. That's a great story.*

NATSIOS: My predecessor, Julia Taft, invented DARTs with Bill Garvelink—Disaster Assistance Response Teams—but she left before they were implemented. So as Director, I deployed the first DART teams. The first DART teams were sent to a complex emergency, as opposed to a natural disaster. (OFDA invented the term Complex Humanitarian Emergency (CHE). We can't figure out who on the staff came up with it, but it came out of OFDA.) At one point, we had five teams out. I said, "We need to deploy another team." They said, "Andrew, the only people left in the office are you and the secretary. There's no one else to deploy. We only have 45 staff." People would call from the field for help, and there was no one there to help. We realized we needed to set up a system for backing the field when the DART teams were out. That still exists. It's much more elaborate now, but it was set up when I was OFDA director.

We shifted away from natural disasters to complex humanitarian emergencies—famines and civil wars. The reason we did that is because I asked the staff to look back 25 years and find out how many people had died under different types of circumstances. AID had all these reports. The staff found that seventy percent of the deaths in the previous 25 years, aggregated, were from famines and civil wars, while only 30 percent were from natural disasters. Most of the natural disasters were earthquakes, in which people often die from the event itself, before response teams get there. I thought, "We have a much better chance of saving lives if we refocus attention toward civil wars and famines." That's when that shift took place.



*Q: Right. I actually remember Julia Taft speaking at an Africa Bureau mission directors' conference and sort of making the comment that "We're in a third of your countries," or something like that.*

NATSIOS: Yes. When I became AID administrator I asked, "How many countries with AID missions have had civil wars or serious civil conflict in the last five years?" We found that 60 percent of AID countries had had civil conflict during this period Sixty percent. I asked, "Do we have conflict provisions in our country strategies?" The staff told me, "No, we don't do that." So we started focusing on that. Julia introduced this idea as did Brian Atwood later when he was Administrator, but we formalized it in strategy papers. The DART teams had to refocus their approach; until then, they mostly only conducted search and rescue with dogs after earthquakes. And provided clean water, food rations, and tenting material for shelter.

*Q: Were the DART teams direct-hires or were they contractors?*

NATSIOS: There were very few direct-hires in OFDA, which continues to be the case. It's almost all were and are PSCs (Personal Services Contractors) and relatively small number of civil servants. I tried to bring more Foreign Service officers in, but people said this is not a career track that's going to help get promoted to the senior foreign service. I think the only Foreign Service officers were Bill Garvelink and Joe Gettier at the time, both excellent field officers and good friends of mine.

*Q: Certainly, there's always been discussion about the degree to which development people are sensitive enough to the relief and emergency operations, and then the opposite, whether the relief and emergency operations are sensitive to development programs.*

NATSIOS: There's been a long running conflict between relief and development in AID. Fred Cuny wrote a book in the early 1980's called *Disasters and Development*, which shows how the two are directly connected. But we had to change the culture at OFDA to start focusing on that connection, putting development interventions in the disaster relief. Has it been fully institutionalized? No, there's still resistance in OFDA because people are focused on the immediate response.

I wrote an article in 1996 called, "Humanitarian relief interventions in Somalia: The economics of chaos." It's in *International Peacekeeping journal*. There is also a book on Somali relief where I deal with those issues of the economics of our interventions and the effect on development, and how we integrated development into the operations in 1992 in Somalia. <https://www.tandfonline.com/doi/abs/10.1080/13533319608413597>.

OTI (Office of Transition Initiatives) was created by Brian Atwood toward the goal of connecting disaster relief and development. We actually put the first proposal for OTI in the budget in 1993. It didn't go through. I can't remember whether OMB (Office of Management and Budget) rejected it or the Congress did, but we didn't get it through.

Brian Atwood finally got it through, in the first Clinton budget. It's his accomplishment, and I give him credit for it.

*Q: Right. And he certainly emphasized the relief-development continuum, building up what you already have done. That was for sure.*

NATSIOS: Right.

*Q: Let me go back, because one of the things that occurred during this period was the first Gulf War, and you were mobilized? Is that right?*

NATSIOS: I was mobilized. I was a major in the US Army Reserves, let me try to remember, the unit was in Riverdale, Maryland. I joined that unit the week before the war started.

*Q: Okay. I was going to ask how long you were mobilized?*

NATSIOS: I had been in Boston in the Reserves, but we had moved to DC (District of Columbia), and I joined the unit. My wife said, "This is not very good timing, Andrew. You're joining just as a war is starting, and the unit is being mobilized." The commander said, "Major Natsios, you know you're going to be mobilized?" I said, "I've been in the Reserves all these years, and I haven't gone to war. I need to go." So I did.

Randall Elliott was a State Department diplomat and a full colonel, and he was the commander of the Kuwait Task Force set up by a letter, which we still have, from Dick Cheney and Jim Baker.

*Q: Oh, that's right. Cheney was the secretary of defense.*

NATSIOS: This is the first one. Yes, he was secretary of defense. The two of them decided to create this task force to plan the reconstruction of Kuwait with the Emir's cabinet in exile. I was the executive officer of the US Army unit. I was in charge of putting together the plan to rebuild Kuwait. That was my first military assignment in a war. There are about four or five books written on the Kuwait Task Force, and they all mention this was just serendipity. It wasn't serendipity. Randy Elliott actually said, "Andrew, the reason I want you is because you are the director of OFDA. You have other resources." I used my OFDA platform to bring experts with me: I brought Fred Cuny, the disaster expert who was later murdered in Chechnya, and Joe Gettier. It worked very well. You know, there was very little controversy over the reconstruction of Kuwait.

*Q: I know, yes, that all went very smoothly.*

NATSIOS: Yes, it did.

*Q: We will later on go on to other reconstructions that didn't go as smoothly.*

NATSIOS: Yes, that didn't go as smoothly. Right.

*Q: But there wasn't probably as much damage in Kuwait either.*

NATSIOS: No, there wasn't.

*Q: How long were you actually there then?*

NATSIOS: I was only on active duty three months, four months. Four months, I think it was.

*Q: Yes, because the war was over.*

NATSIOS: It was, very quickly.

I was assigned to Schwarzkopf's staff. I never met him, General Norman Schwarzkopf, the commander of the Central Command. He had a thousand (or more) soldiers on his staff. I remember Colonel Ward—he was an active duty colonel. He did not want me to go with my unit up to Kuwait City. I didn't want to be kept in Riyadh without my unit, so I had a rather aggressive argument with him. I probably should have been court martialed. He finally let me go.

We were right behind the Marine assault that liberated the city. What was not in our plan became the center of our first crisis after the liberation of Kuwait. And that was the persecution of the Kuwaiti Palestinians by the Kuwaitis. It was something else, because the Kuwaitis thought the Palestinians were traitors. They were torturing and executing them, so our plan needed to address that very quickly. We converted half the unit to protect the Palestinians. I remember the Kuwaitis were going to send in troops to the Palestinian neighborhoods. There is a large Palestinian community in Kuwait. They are better treated in Kuwait than any other Arab country, but the Palestinians are not well treated in the Arab world. People don't realize it's not just in Israel.

Yasser Arafat had endorsed the Iraqi invasion because Saddam Hussein had promised Kuwait as the Palestinian homeland. I went into the Palestinian neighborhoods with my unit, and I have to say, some of the officers said, "Andrew, you're nuts. They're going to shoot us." I went in with Fred Cuny, who spoke a little Arabic and had already gone in as a civilian. He went to people's homes for dinner and made friends. He went to the mosque and talked to all the elders. He told the people, "We're here to protect you." We set up teams that would go in at night to the places the Kuwaitis were holding the Palestinians, torturing them because they thought of them as traitors. The Emir said, "We had these guys in senior positions, and they betrayed us." I asked some of the Palestinians, "Why did you do that?" They said, "Because we believed Yasser Arafat, who betrayed us by endorsing the Iraqi invasion when in fact Saddam Hussein had no intention of giving Kuwait to us to make it our homeland."

*Q: Right.*

NATSIOS: We had a whole campaign plan to protect the Palestinians. I wrote an article about it that is in one of the conference books we put together after the war was over. We used the lessons from that, by the way, in Iraq in the second war.

*Q: You said a minute ago that you ended up revising the plans because when you did the original plans you didn't focus as much on this potential Palestinian issue. You didn't realize it was going to be a serious problem, but it's a great testament that you had ears on the ground or eyes on ground, or whatever it is to be able to pick up on that.*

NATSIOS: Well, I have to tell you a story. Skip Gnehm was the ambassador. He was another great Arabic speaker and Arabist in the State Department, as well as an evangelical Christian, which I later found out. He was livid with me. When I went in to tell him what was happening, he said, "What are you doing? This is none of your business." I said, "Well, it is our business. The rule of law and the court system is a function of civil affairs, and we are attempting to reestablish the rule of law." He started yelling at me, and Fred said, "You need to leave, Andrew. I will handle this." He calmed him down, and he said, "He is here because we have to stabilize this. The civil affairs unit is your best tool to calm things down." There were rumors of a possible coup by the Kuwaiti underground against the Emir. They had stayed during the war, while the Emir and the elite all left. There was a lot of resentment. Skip calmed down. Later, he became our ally on this, but I remember the initial confrontation. It was the first time an ambassador yelled at me (but not the last)! *[Laughter]*

*Q: But not the last one!*

NATSIOS: Not the last one, no! Anyway, it was very interesting. Every night—it was very sad—Palestinians would line up at our camp, and they would say, "Can we see Major Natsios and Mr. Cuny?" They would give us the names of family members, almost all young men, who had disappeared. They had been taken. We took notes and reported to Skip Gnehm. Skip went to see the Crown Prince and said, "If you do not stop this now, we are going to leave. The Iraqis will come back." One of the Kuwaiti colonels told me and Joe Gettier that after the Ambassador's reports had gone to the Emir and the Crown Prince, they had called all the senior officers together and had told them, "You stop this now, or I will hang each of you from the light posts. The Americans are furious with us." One Kuwaiti general told Skip, "The Crown Prince was screaming at us, and we were all afraid he was actually going to hang us, so we stopped the bad stuff from happening."

It was a very interesting exercise.

*Q: But also a very good example of revising plans and adjusting needs as reality changed.*

NATSIOS: Yes, exactly, as reality changed.

*Q: Again, that's not always the case.*

NATSIOS: No, it's not. Believe me, I know.

*Q: One of the other things, and you've mentioned Somalia briefly, but I know at the end of the Bush administration, Somalia, because of Black Hawk Down and all of that, and I know early in the next administration, there was a Somalia working group, because I had returned from Malawi and was in the Africa bureau, and I know Dick McCall was doing all this Somalia working group stuff. Can you talk a little bit about what was going on?*

### **Somalia and Bosnia – Active Duty Army Reserve Assignment**

NATSIOS: Well, my second activation in the military was after I left. I had moved from OFDA to become assistant administrator in what was then the Bureau of Humanitarian Assistance in AID, which included Food for Peace, PVC (Office of Private and Voluntary Cooperation) and OFDA. When the H.W. Bush administration was coming to an end, the Clinton Transition team asked me to stay, and I agreed on the condition that I would retain my authorities, my title, and control over the budget and personnel. The week before Bill Clinton was sworn in, they told me that Lois Richards, my deputy, was to become the new acting AA, and I would be her advisor. In other words, I wouldn't be in charge of anything. I said, "That's not what we agreed to, so I'm leaving." They weren't pleased, because apparently several NGOs had come to see them and urged that I needed to stay, what with all the civil wars going on. But they had violated our agreement.

I said, "Lois, it's nothing to do with you. It's just they broke a promise to me." Being an old politician from Massachusetts, I don't take well to that. Jim Kunder stayed on as OFDA director. He said, "It was a good thing you left, because it was not fun after the Clinton people took over."

So I called up General Sullivan. Gordon Sullivan was the chief of staff of the Army. He's from Quincy, Massachusetts, a friend of Andy Card's and a friend of mine. I said, "Gordon, do you need an expert on Somalia?" He said, "Who?" and I said, "Me." By that time, I was a lieutenant colonel, and he told me, "You exceed my rank as an assistant administrator confirmed by the Senate." He said, "But if you want to come here on active duty, I will arrange it."

So I missed three days of work. This was on a Monday. Tuesday was the inauguration. Friday, the story is told, they were fighting over who would have to pay for me because no one wanted to pay my salary. He called everyone in twelve colonels, and told them, "Mr. Natsios is going to be on the payroll by 5:00 o'clock tonight, or I am going to fire every single one of you." This is a story one of the colonels told me. And he said, "And General Sullivan would have done it. He's a tough guy."

I went on active duty for Somalia and Bosnia. I was sent to Somalia in uniform as a civil affairs officer to plan the transition. I got into a big fight there because I told them the system they were setting up looked like the NSC (National Security Council) in

Washington. A formal bureaucratic structure like that was not what Somalia needed. They needed people who could work with the elders and the clans in a way that fit the local culture.

*Q: Who was on the ground then? AID had already left?*

NATSIOS: Yes. The U.S. military was sent in the first week of December.

*Q: And the embassy had been evacuated as well?*

NATSIOS: Gone. It was evacuated two years before.

So, anyway, I went for three weeks to Somalia, and I went for three weeks to Bosnia, as a lieutenant colonel in the Army. We did assessments and came back to Washington. I would sit in the NSC meetings via teleconference, with video. But the generals in the Pentagon didn't want the NSC staff to know I was in the meeting, so he asked me to sit so they couldn't see me. He also instructed me, "And you cannot laugh if they say stupid things." They started saying some ridiculous things, and I had to put my hand over my mouth. The generals would put up the newspapers. These were new staffers, and they did not understand how this worked. They were giving orders to the generals, who would say, "Taking orders from young kids...."

I was no longer an AID officer, but I took the AID view of things and warned the military officials about mission creep. I warned that it was a very bad idea to get involved in all these areas when we didn't have people on the ground to do everything.

### **More OFDA and Bureau for Humanitarian Affairs**

*Q: Let me go back again a little bit to that period in which you were OFDA director in 1989-1991, and then I think the AA for the Bureau for Food and Humanitarian Assistance 1991 through January of 1993.*

NATSIOS: Right.

*Q: When you began, because I know you in subsequent years had become a driving force for food aid reform, and I'm wondering at what point in your introduction to food aid that you began to see the need for reform? Was that early, or was it later?*

NATSIOS: My conversion to the food aid reform school of thought took place while I was at OFDA. I'll tell you the story. I haven't told you all the stories because there are too many of them. I was in Khartoum for the first time in 1989, and then the second time I went back to Khartoum in 1990. By that time, there was a drought in Tigre and Eritrea, two provinces of Ethiopia in the middle of a brutal civil war at the time. Fred Cuny was there. That's where I met him for the first time. He was sort of the Indiana Jones of disaster response as a consultant, but he was a charismatic figure. He's a Texan, actually, from outside Dallas. Fred said, "There's a famine, and we can't get food in." When I

asked Garvelink about it, he said, “No, the Mengistu government won’t allow any food in. They’re bombing the shipments coming through Port Sudan to cross the border. And they won’t open the Port of Massawa to get food in. We’re going to have hundreds of thousands of deaths.”

I said, “That’s not acceptable.” He told me that the only way to do it would be to buy food in one part of Tigre that had a surplus and move it into the distressed area. I asked, “Can we do that?” and he said, “Food for Peace can’t do it. OFDA can.” So I gave \$2.5 million to Fred Cuny, who went to Jeddah, the old banking city in Saudi Arabia on the other side of the Red Sea from Ethiopia, and converted the dollars into birr, the Ethiopian currency. The problem with having OFDA buy local food, was that it meant we were diverting scarce disaster money for food, when we had a huge food for peace appropriation. But because of the severity of the situation I approved it.

I told Fred, “I don’t know anything about these operations. Don’t give one cent to the rebel movement. I know politics in Massachusetts, and they are going to steal that money and use it for the war. That’s how wars work?” He got the message. I said, “Other than that, just make sure no one dies. That’s the other instruction.”

When Fred returned from Saudi Arabia, he told me, “There are three things I have to report to you. Number one, there’s a little \$100 miscellaneous notation in my expenditures.” I asked, “What’s the miscellaneous?” He said, “I had \$2.5 million dollars in birr from the bank after I converted the money from dollars to birr, in my trunk, going to the airport to go back to Ethiopia, and a cop stopped me. He opened the trunk up, and he saw the birr. He asked me, ‘Are you a drug dealer?’ I said, ‘No, I am not. I am working for the United States Agency for International Development, but here is a gift.’ It was a bribe, but it was only \$100, and I thought it was necessary at the time.” I told Fred not to share the fact that he had given a \$100 bribe from OFDA. But he did.

Secondly, Fred had also been involved in the same local purchase program conducted by the British and the Norwegians, who had been doing it for years. The U.S. was not the first one to do it. They gave the cash to the Eritrean rebel movement, who told them there was a three percent currency conversion charge, though in reality the conversion is free. The rebels also told the British and Norwegians that the actual rate for currency conversion from dollars to birr was three birr to the dollar, when the actual conversion was five birr to the dollar. The rebels pocketed the rest of the money. So Fred said, “I’ve estimated the British have \$18 million they’ve paid to the rebels without realizing it. Same for the Norwegians.” So I leaked it to one of the newspapers in London, because the Europeans were criticizing us for being too rigorous on ensuring accountability. USAID is much more accountable than the Europeans are in aid programs, generally. The story appeared in, I think, the London Times. It caused a furor in the British parliament. From that day until now I have not admitted that I leaked the story! But I did it in order to get these European aid agencies to stop doing these stupid things. The British minister of development said, “How did they find out? How did the Times find out this was going on?” I never told the British.

Now, Fred went in and bought about 20,000 MT of sorghum with our \$2.5 million dollars and had the merchants deliver it and then he would pay them. He auctioned it off in the areas where the price had been skyrocketing because of the drought. It caused food to move into those areas. He did a brilliant job.

*Q: So, wait. It was not just the local procurement; it was also the way in which they auctioned it off locally, which generated additional food coming into the area?*

NATSIOS: Exactly. He took the cash from the auction and bought more food with it. He basically became a market-correcting mechanism, which, with \$2.5 million, was very successful.

That is what introduced me to food aid. Fred said, “Your program is all screwed up, Andrew. The food aid that went in, in 1985 and 1986 in Ethiopia, came in after death rates had peaked and were in decline.” OFDA and Food for Peace claimed to have saved all these people, but the food took too long to get there. That is where I learned from Fred. He showed me statistical data on all of this. I learned early on that time was of the essence in all disaster management but particularly in famine relief. People do not schedule their own starvation in tandem with the delivery of food aid; if you don’t get there in time they die.

I started reading Amartya Sen’s books and that’s what led to the food aid reforms which were opposed by the agriculture lobby, USDA and the NGOs at first (they later endorsed the reforms, but it took ten years to get them fully on board). USAID has been at the forefront of the debate from the beginning of the controversy in 2003.

*Q: Okay.*

NATSIOS:

We also did a local purchase and auction in Somalia in 1992 when I was the AA of the Bureau. CARE (Cooperative for Assistance and Relief Everywhere) carried it out because the World Food Program (WFP) refused to do it. It did stabilize prices in Somalia.

*Q: I know another sort of drought-related thing that took place during this period was in southern Africa, the southern Africa drought.*

NATSIOS: Oh, yes, that’s right, you were in Malawi.

*Q: I was in Malawi.*

NATSIOS: Yeah, it was terrible.

*Q: It certainly mobilized a tremendous amount of support. Do you have any sort of memories?*



NATSIOS: Oh, I do.

Apparently, there was some panic in southern Africa, so President Bush called Mrs. Quayle (the Second Lady) and told her that she and I were going to go reassure the heads of state in the region in southern Africa. So we went to South Africa, Mozambique, Zambia, and Zimbabwe. We mobilized 2.2 million MT of US food aid which prevented a famine, I think. It was an enormous amount of food.

*Q: Yes.*

NATSIOS: Seventy percent of the food that went into southern Africa in 11 countries came from AID, not from the Europeans. People said AID saved the day by intervening on such a massive scale. I don't think anyone died.

*Q: No. It was brilliantly done. I know that the evaluation of it that was ultimately done was very, very positive.*

NATSIOS: Yes.

*Q: One other thing. During that period, Alan Woods died. I don't remember how long there was no administrator, but then Dr. Ronald Roskens came in from the University of Nebraska, the former president, and was there for at least a year and a half or two years or so.*

NATSIOS: He was there for about three years.

*Q: Right, because it was rough period. But maybe we can talk a little bit because the end of his period was when the IG (Inspector General) ran amuck. We can talk about that.*

NATSIOS: They certainly did.

*Q: But before that, someone sent me an e-mail, who knew I was going to be talking to you, and asked me to ask you, because Roskens had also done some reorganization and put Scott Spangler into that operational position.*

NATSIOS: Yes, as an associate administrator.

*Q: It was sort of equivalent to almost a COO (Chief Operating Officer) type of thing.*

NATSIOS: Yes.

*Q: He had also tried to strengthen the PPC (Bureau of Policy and Program Coordination) in some ways?*

NATSIOS: Yes.

*Q: And so I was curious the degree to which you might have been involved in any of that or had anything to do with it?*

NATSIOS: I was not involved in that. Scott Spangler was a friend of mine. I can't remember which bureau he headed.

*Q: Africa. He had been the AA for Africa.*

NATSIOS: Africa. Before Alison Rosenberg?

*Q: Yes, then Allison replaced him that last few years*

NATSIOS: Scott became a friend of mine. Even well after that, when I was AID administrator, our paths crossed occasionally because he had bought Chemonics International.

*Q: Yes.*

NATSIOS: I liked him personally as a businessman. He was much more engaged than Roskens was.

*Q: Yes.*

NATSIOS: He would listen, and he knew what was going on. I thought he'd be fine in that job. But I don't like creating huge hierarchies because then you are detached from the operations.

I had nothing to do with the reorganization. I was too busy. At one point, I remember in a senior staff meeting they gave me and Jim Kunder this AID award. I don't remember the name of it: Distinguished Service Award or something. Anyway, they told me that there was some suspicion within AID that we had "created" all these civil wars in order to dramatically increase my budget, because the OFDA budget went from \$20 million a year to \$200 million.

*Q: [Laughter]*

NATSIOS: I said, "You think we started these civil wars?" They said, "We're only half joking. Isn't this frequency of civil wars normal?" I told them no, there had been a dramatic increase in civil wars because of the collapse of the Soviet Union. It was entertaining, the suspicions that were going on. *[Laughter]*

*Q: Okay. Well, then, let's go to those final couple years in which the IG (Inspector General) went amuck and half the AID directors overseas were being investigated, and it was a really extremely difficult period.*

NATSIOS: I wrote about this in my article, “The Clash of the Counter-bureaucracy and Development.” Published in 2010. By the way, the IG was so angry about that article. Rodney Bent was angry over the article because of my criticism of OMB (Office of Management and Budget). I said, “Rodney, what is incorrect in what I wrote in that article?” He said, “Well, nothing was incorrect, but you didn’t have to write it down.” I thought Rodney was one of the smartest and most practical people at OMB, if only there were more of him. But the institution was and is a command and control institution. It was very interesting how sensitive the regulators are to criticism.

*Q: Yes, right. Absolutely. Was there discussion among the senior staff about this with the way the IG was acting?*

NATSIOS: Oh, that’s an understatement. It was discussed all the time.

*Q: Okay.*

NATSIOS: When we went into Somalia, I went to see the IG General Beckington I told him, “Given there is a civil war going on food aid will get stolen. We are in the middle of a civil war, and there is anarchy. Are you aware of that?” He said, “Sir, you are not going to be audited. You have nothing to worry about from me. You were saving people’s lives. I know some of the stuff may disappear.” They never bothered us. I never quite understood. I think it was because there was bipartisan support in the Congress for OFDA and Food for Peace. There was not support for the development function, which was, I think, a big mistake. But I wasn’t going to argue.

*Q: Right. Okay.*

NATSIOS: So he never bothered us. But I listened in to the stories they were telling in the morning staff meetings, and I was appalled. That’s part of the reason I wrote that essay on the counter-bureaucracy. <http://www.cgdev.org/publication/clash-counter-bureaucracy-and-development>

*Q: Okay. When we get the edited transcript of this, we will put some links in to that article.*

NATSIOS: Yes. In fact, almost everything I did, including much earlier, I wrote articles about. Fred Cuny convinced me to do that. He told me we needed to record everything we did. I had never done that before in my career. The only thing I didn’t write about, which I want to do now, is the story of all the Kurds going up into northern Iraq and Turkey at the end of the first Gulf War. Remember that?

*Q: Ah, right, yes. That’s when the U.S. really developed its strong support for the Kurds.*

NATSIOS: Yes. That was because of OFDA.

Fred Cuny was with Dayton Maxwell. Dayton led the Kurdish DART team with Fred as his advisor. It was the largest DART team we ever deployed up to that point. I never recorded that. The military, to this day, claims it was the one to develop the strategy that worked. Fred Cuny developed it with Dayton and leaked it to the Washington Post. It was on the front page, and the State Department said, "You withdraw the DART team now. This is outrageous that you made these things public." Fred hadn't checked with me; he just leaked it. Well, a few days later, Jim Baker said, "I think this is a great plan. We're going to tell them not to withdraw the team." *[Laughter]* I got into a lot of trouble because of that, but I stood behind the DART team. But I never recorded that in an article. Baker had visited the Kurdish displaced camp for 15 minutes by helicopter as a side trip from his negotiations with Israel; he was shocked by what he saw and wanted to know when the DART team was going to arrive--in fact Bob Kimmitt called me three times in one day asking when the DART team was leaving because Baker kept calling him.

*Q: Maybe just to go back, because this is the end of the war?*

NATSIOS: The end of the first Gulf War. There was a revolt against Saddam by the Shia in the south and the Kurds in the north. Saddam started slaughtering them both.

*Q: And then OFDA went in too?*

NATSIOS: OFDA went in with the U.S. military.

*Q: To help protect the Kurds?*

NATSIOS: Yes. The military kept writing these narrowly focused plans about setting up a permanent logistics system for feeding the Kurds and setting up nice camps. Fred said, "No, we don't want refugee camps. We want them out of the mountains. We want them to go back home." That's why he came up with the idea of an air cover to prevent the Iraqi army from slaughtering them. We wrote our own plan, and the military dumped it in the wastebasket.

So I went to Larry Eagleburger (the Deputy Secretary of State). We had meetings every morning in his office. He loved OFDA. He is the one who came up with the idea of OFDA, you know. He wrote a cable as a young Foreign Service officer, after the Skopje earthquake in 1963, to which the US government did a very poor job of response to from the State Department's point of view. There was no OFDA in those days. Larry wrote a cable saying there should be a coordinating office in AID for disaster response. Whenever I had trouble as OFDA Director, I would call his office, and they would get everyone out of the way.

I said, "Mr. Deputy Secretary, this is Kurdish emergency is a disaster, and the military is ignoring the plans we are writing." He took me over to see Admiral David Jeremiah, vice chairman of the Joint Chiefs of Staff, and said, "We're going to tell him to stop interfering in the relief operation. AID is in charge, not the military." I was expecting a

heated argument, but the admiral said, “Andrew, we don’t know anything about this. We don’t even want to be there? You tell me what you want. You write the cable. I will send it out.” So I wrote it. Garvelink told me the officers were livid that we went over their heads to the vice chairman of the Joint Chiefs. But they sent the order out. Unlike other bureaucracies, when the military is given a written order, they carry the order out.

Now, there was a very angry response to this. That’s not recorded anywhere, but it did happen that way. Once that happened, Fred said, “We’re getting these million people out, and we’re going to clean the Iraqi army and secret police out of the cities.” The Iraqi army and secret police were murdering Iraqis. So Fred went himself with the DART team and asked all the members of the army and secret police for their names and a photo. He told them he needed the photos so his team didn’t accidentally shoot them. Fred collected hundreds of photographs, then posted them around the cities with the notice that they were members of the secret police, killing innocent Iraqis.

I asked, “Fred, you didn’t really do that?” He said “Yes, I did. The DART team did it, all over the cities, and when the secret police saw their pictures up there, they left in five minutes. That’s how we cleared them all out. We didn’t actually shoot them all, just scared them.” The DART team did this, and that’s not recorded anywhere. I told Fred, “That’s not a normal OFDA practice, as I recall.” But Fred—you couldn’t control Fred.

*Q: That was great. Given the depth of the relationship between the military and OFDA in so many circumstances, do you think your own military background was helpful and that is something that is probably an advantage for an OFDA director to have had a military background?*

NATSIOS: Yes, absolutely. It was very useful. Historically, there has been a relationship anyway, but it intensified, I think because we were seen as successful in the Gulf War in Kuwait. That was a high point. After that, they said, “Look, we did it together.” I think it was a very successful relationship, and it still is.

Three or four years ago, when the Ebola outbreak took place, there was conflict between CDC (Centers for Disease Control), DOD, State and AID. Friends of mine at the NSC told me that DOD did not want to serve under the State Department or CDC, but were happy to serve under the authority of the DART team. They said, “We have no problem with that at all.” No one can tell the president who they’re going to report to, but DoD was adamant. They hated CDC for some reason. I don’t know why. But part of the reason the president decided to put OFDA in charge was because OFDA and the military worked well together. CDC may have technical knowledge, but they aren’t strong on operations or logistics.

*Q: Yes, right. Let me ask two more questions, sort of general questions, about that period in the George H.W. Bush administration. One was just obviously you have talked a lot about interagency relationships and stuff. You must have spent a lot of time at the NSC?*

NATSIOS: Oh, I didn't. I spent very little time there under President Bush 41, and a lot of time there under 43. I spent a lot of time at the State Department because USAID was still in the State Department building in those days. They would call me up all the time, any time Larry Eagleburger wanted something done. The reason OFDA was in Russia is because Larry thought the food system was collapsing, that there were going to be riots in the streets, and that Gorbachev was going to be taken out. So he said, "You are going to prevent any food crisis in Russia, Andrew."

*Q: That was all before the fall of the Soviet Union.*

NATSIOS: That's correct. It was 1990.

*Q: Did we send food in then?*

NATSIOS: Well Rich Armitage was brought over to the State Dept by Jim Baker to head up the Russian food aid coordination unit there and he managed an MRE program which sent military rations into each of the former Soviet Republics in a very visible way-- mostly by military airlift. In terms of volume it was a very modest program but had a diplomatic impact well beyond its size.

We decided before we started a Food for Peace program to do an assessment I sent Fred Cuny in with a DART team to determine the condition of the Russian food system, which was cranky, old, and very inefficient. He came back, and he said, "There is no need for any food, Andrew, because the system is working. It's old, it's cranky, there's corruption in it, but everyone is eating. The diet is not very great, but they all have enough to eat, so there is no reason for a food aid program."

*Q: Again, years later, I know one of the things Janet always emphasized was that in the calculations, people would forget there were dachas (people's summer homes in the country) and things, and that there was a lot more small-scale domestic production than people remembered.*

NATSIOS: That's exactly correct. Now, the interesting thing is, Fred did a three-volume study—I still have it. It is the only extant non-classified description of how the Russian food system worked during the Soviet period, in detail.

*Q: Wow.*

NATSIOS: I don't even know if it's in our archives. I should give it to them to convert it to an electronic file.

*Q: You should!*

NATSIOS: We have all of Fred Cuny's papers here, as you know.

We made arrangements with OFDA to bring his 5,000 papers here to Texas A&M. They have been digitalized, and they are in our library here. I think it's finished now. We've been working on it for two years now.

*Q: Are they available online?*

NATSIOS: Yes they are.

*Q: The other thing you mentioned briefly was your frequent TV appearances. I can remember you being on TV a lot because of all the crises.*

NATSIOS: Alan Woods knew that. I was party chairman in Massachusetts, and I had to deal with the news media all the time in Boston. It was a little different as head of OFDA, but the basic principles were the same: using electronic media to speak to the American people and to the people we were helping. . The only way to manage this these crisis so they don't blow back is to deal with the news media on a regular basis. Dayton said, when I hired him, "The one thing I don't ever want to do is talk to a reporter, Andrew." AID officers don't like talking to reporters. Alan told me later he had put me in front of the camera because he thought (accurately or not) I had the political skills to deal with the media.

*Q: Did you get much instruction through an interagency process or State Department or anyone?*

NATSIOS: In general we didn't get or take any instruction from anyone. We acted on our own within broad parameters, unless the strategic interests of the United States affected such as with the Kurds. I've studied why OFDA has been so successful as a business model. Three parties have to approve OFDA action for a team to be mobilized: first, the OFDA director has to approve it; second, the ambassador to the country in question has to approve it; and third, the country itself has to ask for help. That's it! They don't have to ask the AID administrator. They don't have to ask the NSC or the State Department in Washington. Once, the Director of the East Africa Office at State vetoed the OFDA and Food for Peace Southern Sudan relief effort in 1988 and early 1989 said, "No, we don't want the aid because it would upset the Sudanese government (this was before Bashir took over when Sudan was an ally of the United States during the Cold War)." That was when Julia Taft was director at OFDA. She went over his head to George Schultz to reverse the East Africa Office director's decision so in that case it wasn't the ambassador who approved it, but the State Department East Africa office. For the most part, though, it's so simple and highly decentralized, so I was able to just take the authority and act.

*Q: I was actually surprised when I asked if you had spent a lot of time at the NSC, and you said no. Because in today's world, it seems that everything is done through the NSC.*

NATSIOS: Everything. It's a mistake, in my view.

*Q: Right. I think it has all gotten much more complex, hasn't it?*

NATSIOS: I am making the argument in my book on foreign aid that if you want these programs to work, you need a highly decentralized system. There is empirical evidence now by a young scholar named Dan Hoenig at SAIS (Johns Hopkins School of Advanced International Studies), who has actually studied success rates of aid programs and has found that, particularly in chaotic, unstable situations, highly decentralized systems have much higher success rates. He studied 10,000 projects from the World Bank, AID, DFID (UK Department for International Development), EU (European Union), and SIDA (Swedish International Development Cooperating Agency). In terms of non-emergency situations, which have been successfully addressed by interventions like the green revolution and PEPFAR (the HIV/AIDS program), decentralized systems are not so important. But in terms of emergencies and crisis management, it's much more important for authority to exist at the lowest levels. So there is now empirical evidence to support what most of us knew just by our experience.

*Q: It's an interesting contrast to the way stuff is done today.*

NATSIOS: Yes.

### **World Vision – Vice President for International Programs 1993 – 1998**

*Q: You had already talked about after you left your job as the assistant administrator at the end of the administration, and then you put on your uniform and went off to Somalia and Bosnia, and then probably not too long after that, you went on to World Vision?*

NATSIOS: I went on to World Vision. I have my own religious beliefs, but I see some purpose behind this sequence of events in my career (retrospectively) because when I asked why I was chosen by George W. Bush as AID administrator, there were a few reasons. I was a loyalist of the Bush family, and I had experience in AID. I was close to John Garang, and the president made a decision early on that he wanted to facilitate a peace process in Sudan. They wanted me to help whoever they chose as the envoy to deal with Garang when Garang wasn't willing to cooperate. The third reason is because the administration wanted a close relationship with the Roman Catholic Church and the Evangelical church. When I was up to be administrator, a network of conservative Catholics sent a note to the White House saying, "He is our choice." In the evangelical church, twelve pastors of major churches whom I didn't even know, told the White House that they wanted someone, who was not hostile to the church and, in fact, would be sympathetic to the Church community in general. I was never an evangelical. I came from a mainline Protestant church, which was fine within World Vision until I returned to the Orthodox Church in 1997. It's a very ecumenical organization. But the support of the Catholic and Evangelical leaders helped enormously.

*Q: And World Vision gave you that credibility?*

NATSIOS: Absolutely, it did. There were nine other people who wanted to be AID administrator. I counted them, because they told me, not realizing I also wanted to be



AID administrator. I asked Andy [Card] years later, “How many people were on that list?” I was really sweating it. He said, “What do you mean other people? There was only one person ever on the list to be AID administrator, Andrew. That’s you.” I said, “Why you didn’t tell me this?” He said, “Well, you never asked me that.”

*Q: So you were at World Vision for about five years?*

NATSIOS: Exactly five years.

*Q: It was Vice President (VP) for International Programs? You were based in Washington?*

NATSIOS: I was in charge of all the AID, UN, and World Bank-funded programs, not the privately funded programs.

*Q: All the institutional stuff. And the headquarters were still in Seattle?*

NATSIOS: The headquarters were in Monrovia, California, and then they moved to Seattle. I had half my staff out there. When I started at World Vision, my division called WVRD had 15 people. When I finished, we had about 70 people in Washington. So it grew substantially.

*Q: A very large organization. I know you came to Malawi when I was there. That was when I met you, when you were in Malawi and came through.*

NATSIOS: Yes, that’s right.

*Q: When you went over to World Vision, did you ever have any kind of “aha” moments about things you wished you had known when you were at AID or you might have done differently at AID?*

NATSIOS: Well, I have to tell you a story. There was a movement by the NGOs to take Food for Peace and move it to USDA because they were fed up with Food for Peace trying to stop monetization, which is a terrible practice. Monetization is useful for what Cuny was doing to stabilize food prices in a famine. It’s a terrible idea to get cash to run regular development programs.

*Q: Yes, right.*

NATSIOS: I was in the meeting, and the CEO of CRS (Catholic Relief Services) said, “This is our food. It’s not AID’s food.” I said, “I beg your pardon? It is not your food. It is the U.S. government’s food, and you have to comply with the rules and the policies of AID.” I called up Brian Atwood, and I said, “They are making an effort to move Food for Peace.” He hadn’t heard about this, and said he would check. He called me back and said, “You’re right, Andrew, and I’m going to put a stop to it.” And he did. That’s when Brian

and I sort of bonded. I said, “I’m the spy inside the tent, so you’ll know when I hear this stuff.”

*Q: [Laughter] Was Julia Taft then at InterAction during this period, too? She was the head of it?*

NATSIOS: Yes, she was. And I was on her Board. Now, she had been at PRM (Bureau of Population, Refugees and Migration), and her view had changed a little bit. I wanted to move PRM into AID, and she said, “No, no. We’re not doing that, Andrew.” I said, “Well, Julia, this is a mistake to separate one from the other.”

Julia and I worked together on a lot of issues I had left World Vision when Bob Seiple resigned as the president. That’s when I decided to go to USIP (United States Institute of Peace) to write the book on the North Korean famine, my second book. My first book, which was based on my experience at OFDA, was called *U.S. Foreign Policy and the Four Horsemen of the Apocalypse*. It is about disaster response and American foreign policy and was published in 1997, and it’s actually still in print. The North Korea book was published a month before I became AID administrator. Secretary Powell read it, and disagreed with my views on food aid or its proper role in diplomacy.

*Q: When did you get involved with North Korea? Was that while you were at World Vision?*

NATSIOS: It was when I was at World Vision, yes. I called Brian up, and I said, “Brian, why are you not doing something?” He said, “The State Department has decided we are going to use the food for nuclear negotiations.” I said, “That’s outrageous. There is a famine going on!” He said, “I know that, Andrew. I have no control. Food aid decisions on North Korea are being taken at the NSC and State. We are not allowed to intervene in this, and they are not telling the truth when they say they are not tying the food to the negotiations, because they are.”

The NGOs got very nervous, and we ran a substantial campaign. I wrote a letter to Congress on behalf of AERDO (Association of Evangelical Relief and Development Organizations). Bob Seiple signed it for World Vision, and 41 other evangelical NGOs signed it. Not many people in Congress had ever heard of AERDO. We sent the letter, which argued that food aid should never be used as a weapon in the middle of a famine. Poor people will die, and that is unacceptable. There was a Republican caucus, and they were going to offer an amendment prohibiting any food aid to North Korea. Frank Wolf got up and read the letter. The evangelical church is one of the bases of support of the party. “And all of a sudden,” Frank said, “they withdrew the amendment, everybody sat down, and that was the end of the discussion. They went on to the next item.” He said it had a profound effect. They had never heard of AERDO, but they had heard of World Vision. We even got Franklin Graham to sign it, from Samaritan’s Purse. He was the last one to sign.

*Q: So this policy to provide food aid to North Korea then was driven by the evangelicals?*

NATSIOS: And the other NGOs. CARE had a role in it as did Mercy Corps.

*Q: Did InterAction also engage in this?*

NATSIOS: Yes they did. It was interesting because the Congress, both parties, and the White House were all very upset with us. We actually ran television commercials. We did op-ed pieces and all that. At first CARE was the most reluctant to sign. They said, “We can’t criticize the Congress.” I said, “You’re going to let all these people die because you are worried about upsetting the Congress?” Now World Vision was in a different position. Eighty percent of our funding at the time was private. That was not the case with most of the NGOs. They had much more at risk than we did.

*Q: Right.*

NATSIOS: But we drove them. I kept pounding them. It was a real crusade. I describe that in the book.

*Q: So you were personally sort of lobbying USAID on this issue as well?*

NATSIOS: Yes. But not just USAID; I also spoke with the State Department, the Intelligence Community and the NSC.

*Q: At least, calling them up and letting them know that you were putting moral pressure on them?*

NATSIOS: Well, I did an op-ed for the Washington Post that came out the day Madeleine Albright was sworn in. She’s since become a friend of mine. She was angry with me. When I got to be AID administrator, I pulled Jon Brause up from Food for Peace. The only senior staff I would allow to deal with North Korean policy was Jon. I said, “Jon, you were there. Did I make this up?” He said, “No, you did not make it up.” Some AID officers, without mentioning names, still clung to the old view that we never politicized the AID program. But Jon said, “Of course we did! We were given orders regarding when to ship the food.”

I was the chairman of the humanitarian relief committee for InterAction. We had Chuck Kartman come to InterAction for a meeting on North Korea. He said, “We’re practicing tough love. Either they cooperate, or we are shutting the food off.” And I yelled at him. I blew up. I told him it was an outrageous statement and he should be ashamed of himself. I told him it was morally repugnant to kill poor people who were starving, and who never elected their government, in order to press the North Korean government into signing an agreement that they would inevitably violate anyway. Kartman said, “Well, I didn’t expect that kind of a reaction.”

Jim Bishop, who was ambassador as a career diplomat to four different countries and worked for InterAction under Julia, took notes during the meeting. I went through the

notes, because you know ambassadors take very good notes. I asked Jim, “Is my memory failing me?” He said, “No, Andrew, it is not failing you.” Jim marked down this confrontation, and I put it in the book.

*Q: This was all during the Clinton administration?*

NATSIOS: Yes, it was.

*Q: Wendy Sherman, did she play a lead role on North Korea?*

NATSIOS: She may have, but the person we dealt with was Chuck Kartman. Then there was a colonel at the NSC who lied to me. He said, “The evidence we have from our intelligence indicates that there’s no famine.” I said, “Well, your intelligence is wrong.” That’s when I became focused on North Korea. I went to North Korea, with World Vision, for two weeks in June of 1997. After I left World Vision, I went undercover, which I could not do now, with a Buddhist monk from South Korea who had been working with me through his NGO to publicize the famine. I went to the border of China with North Korea, and I interviewed people leaving because of the famine. This was in 1998 when I was at USIP (United States Institute of Peace). I interviewed dozens of people leaving, and they told me the same stories. We actually took pictures of mass graves and of mass burials going on the other side of the Tumen River. People in the U.S. government at that time were still saying there was no famine, but that was complete nonsense. I wrote a report on this for USIP which was later the basis for my book *The Great North Korean Famine*.

<https://www.usip.org/sites/default/files/sr990802.pdf>

*Q: Len Rogers, didn’t he visit North Korea during this period?*

NATSIOS: Len and I had a disagreement on this. He said none of this was going on, and that there was no misuse of food aid. He and I had a parting of ways.

*Q: Ah. Interesting. So he was toeing the party line.*

NATSIOS: He was toeing the party line. I have great respect for Len, but I think he felt hurt. I did not ask him to leave, but he decided he wanted to leave. You know, AID wasn’t responsible for all this. AID was shipping the food when they were told to ship the food. And I know what Chuck Kartman said, and he said it in front of us. There were two dozen people in the room who heard it.

*Q: Well, you know how hard it is when you work for the government. Sometimes you have to do things that you don’t agree with.*

NATSIOS: Believe me, I had to do it sometimes. Grit my teeth.

*Q: [Laughter] Grit your teeth, right! Are there any other observations from your time at World Vision?*

NATSIOS: I realized the influence that a huge international organization or international NGO could have—World Vision now has a nearly \$3 billion budget with 40,000 employees. We were the ones that started the whole campaign with the U.S. Committee on South Sudan, which was largely possible because of my experience with OFDA. Roger Winter became our best ally. The Presbyterian Church—they had some association or NGO—World Vision, and the U.S. Committee for Refugees worked together to publish papers on the atrocities that were being committed, the forced starvation. We became a major force in the debate over the South Sudan issue.

### **Sudan – Miscellaneous Thoughts**

*Q: Then you further developed your relationship with John Garang during this period?*

NATSIOS: Yes. I saw him do bad things, too, to his opponents in the South. I wrote a history of Sudan that came out in 2012. It's called *Sudan, South Sudan, and Darfur: What Everyone Needs to Know*. Oxford University Press published it.

*Q: Did you foresee the issues that are taking place today?*

NATSIOS: At the end, I thought there was a real chance that it could turn out really well, but there were three big issues. I said that the intertribal violence and poisonous relationships, corruption in the government, and the fact there wasn't any capacity to run anything would be major barriers to success.

*Q: Right. And all three of those reared their ugly heads.*

NATSIOS: They certainly did. I gave them the benefit of the doubt at the end of the book, but I noted these three things to worry about.

*Q: Right. Do you think things would have been different if John Garang had lived?*

NATSIOS: I do, and I think Secretary Hillary Clinton did a good job in getting the north to agree to allow the referendum to take place and then allow the South to leave Sudan. But once that happened, and she resigned as Secretary of State at the end of President Obama's second term, there was no U.S. Envoy to Sudan for ten months as things were collapsing in South Sudan. Princeton Lyman resigned in early 2013, and he had been very effective as the U.S. envoy. After he resigned, there was no U.S. Envoy to Sudan for ten months nor an assistant secretary for Africa for seven months. That was when the political situation in the South destabilized and the massacres took place in December 2013. I blame the White House and John Kerry for not paying more attention to the personnel issues. Secretaries of state don't pay attention to the details of situations like this; they have to have staff to do it. The two critical positions were the assistant secretary of state for Africa and the U.S. envoy, and no one was filling those roles. Don Booth was not appointed as the envoy until a few months before the massacre and by then it was too late to stop the slide into chaos. . I don't know if we could have stopped the crisis if we

had the right staff; I think we could have, but I'm not sure. But the biggest problem was Garang's death. Salva Kiir Mayardit is very bright but also very much of an introvert, a good tactician but not strategic.

*Q: So we were talking about the death of Garang.*

NATSIOS: I remember Elizabeth and I were driving to Maine from Washington in July 2005 when Kate Almquist, who was the head of the USAID task force on Sudan, called me. I remember exactly what she said "Something dreadful has happened: John Garang's helicopter has disappeared." She called me again 15 minutes later and said, "It's crashed. He's dead." I said, "Kate, this can't be." It was six months after the peace agreement was signed.

The White House tried to get Senator Bill Frist, the Republican Majority leader in the Senate, to go to South Sudan for his funeral. He couldn't go, so the White House told me I would be leading the U.S. delegation to the funeral. It was the next day, and I was in Maine on Swans Island where we have a summer home. So Doug Aller, the USAID Chief of Staff, called the U.S. Park Service on Mount Desert Island and told them to pick me up. They brought me to the presidential jet, which flew me to Juba. It was a very sad time, I have to say, very sad.

*Q: Yes.*

NATSIOS: There were riots in Khartoum because many of the two million Southerners around the city displaced by the civil war thought that the government had assassinated Garang. A lot of people died. Roger Winter, the Assistant Administrator of DCHA, called up Rebecca Garang, John's widow, who still believes John was assassinated. He said, "You've got to stop this. Khartoum is turning into chaos. They've lost control." She got on the radio and said, "It was an accident. Please stop the violence." She did it because Roger Winter called her. So OFDA and AID played a major role in calming things down at a critical moment.

*Q: Since we are doing Sudan, let me ask, because one of the things that happened—we're jumping ahead a little bit to the AID administrator, but since we're talking about Sudan—there was the relief work in Darfur, there was the work going out of Juba, and then there had always been a USAID PSC who was in Khartoum.*

NATSIOS: There were several of them.

*Q: Yes, they were there. But then the decision was made to reopen the AID mission in Khartoum.*

NATSIOS: Yes, I named Kate Almquist as Mission Director at the end of 2005 at the request of Bob Zoellick who was Deputy Secretary of State at the time and had the Darfur portfolio. She worked for me writing the South Sudan policy papers at World Vision. No career people bid on the Mission Director in Khartoum, so I without

hesitation named Kate to the position. Randy Tobias later recommended her to the White House to be the President's nominee to be Assistant Administrator of the Africa Bureau (by that time I was teaching at Georgetown).

We were spending so much money in Sudan. Even though all of it was humanitarian assistance, we needed a mission there given the amount we were spending.

Kate is the only political appointee I ever appointed as mission director. The foreign service officers union came and said, "This is inappropriate" I said, "Well, one, she has more expertise on Sudan than virtually any senior career officers, she is a DAA (deputy assistant administrator), and she has five years of experience in World Vision and four at AID, but most importantly, none of your guys bid on this. I tried to get people to go, and they would not go." Kate was one of my inner circle on Sudan with Roger Winter, Brian d'Silva, and Kenny Isaacs.

*Q: Ah, okay. I didn't know that. [Laughter]*

NATSIOS: Later in December 2006 when I was President Bush's Envoy to Sudan I asked the U.S. Embassy to arrange a meeting with the militia leader who has committing the atrocities. His name was Sheikh Musa Hilal. I told the US Embassy "I don't want a cable written on this. My adversaries in Washington will have me impeached because I met with a war criminal." But the only way to stop these guys is to threaten them which I did do at the end of the meeting. Darfur security office reported a drop in deaths from violence across Darfur starting the next month for the next year.

I wrote a chapter on Darfur in a book called the *Responsibility to Protect* published by Oxford University Press in 2012 <https://books.google.com/books?isbn=0199797765>

As I was leaving the compound after a two hour meeting with Hilal —it was a UN/AU (African Union) compound —a Nigerian colonel came up and said, "Can we take a picture of you with Musa Hilal?" I said, "You most definitely may not, and this is a classified meeting. You cannot report on this." He said, "You're a very brave man, Mr. Natsios." I said, "Why? Musa Hilal's here with his brother, and I have my diplomatic security guy." He said, "You know what's outside? Two trucks of Janjaweed with machine guns; they were going to kill you because they thought you were going to try to arrest Musa Hilal for war crimes." I said, "Oh, that's nice to know. You're not brave if you don't know there is a risk!" So that was a little disturbing.

*Q: We can come back to Sudan a little bit later. So you were at World Vision until 1998, and then you went back to Massachusetts?*

### **Back to Massachusetts 1998 – 2000**

NATSIOS: In June 1998 I left World Vision and was given a Randolph Jennings Fellowship at USIP to write my book on the North Korean famine. Then I left, and I became Secretary of Administration and Finance in March 1999, a job I always wanted

when I was in the legislature. I worked for Paul Cellucci, who was the governor. Andy Card, Paul Cellucci and I were best friends for years, and Paul became governor. Andy and I wanted to be governor; we never made it.

*Q: [Laughter]*

NATSIOS: When I called Paul up to congratulate him in November of 1998, he said, “Most of my staff are younger people. I need someone my own age who has no ambitions anymore and will tell me what’s actually happening. The bureaucracy is unruly and maybe you can get control of it.” It was one of my favorite jobs. That job and my job at OFDA were my two favorites in my career because there was so little bureaucratic frustration.

Secretary of Administration and Finance doesn’t have a parallel in Washington. It’s like OMB Director, Secretary of the Treasury, GSA (General Services Administration), and OPM (Office of Personnel Management) all put together. So it was very powerful job. They used to call the secretary of administration and finance the deputy governor, an appointed job. We got about 14 pieces of legislation through in one year.

Then, the Governor asked me to resign to take over the Big Dig (which moved the Central Artery, an elevated highway, which cut Boston in half. The Big Dig moved the Central Artery 60 feet underground) when there was a scandal over cost overruns. I didn’t want to, but he told me I needed to. The Big Dig was in the headlines every day, and he had to stop the hemorrhaging of the administration. So I did that for a year. But that prepared me in some ways to run the reconstruction programs in Iraq and Afghanistan.

*Q: Yes, right. I thought of you when I was leaving Logan Airport and was underground, so I think I must have been in the Big Dig.*

NATSIOS: You were in the Big Dig. Yes.

*Q: I said, “Ah, I can thank Andrew for this.”*

NATSIOS: Fifteen billion dollars, Carol. Now, let me just correct this for the record. I’ve never said this, but there were people who accused me of having some kind of sweetheart deal. I kept choosing Bechtel. The project, the Big Dig, was two-thirds done when I took it over. The cost overrun scandal took place because I uncovered, as Secretary of Finance and Administration, the fact that there was something wrong with the finances. As a result, we fired the director of the Big Dig and I took over. I didn’t choose Bechtel. In fact, I was going to fire them. The people I hired from the Kennedy School and MIT (Massachusetts Institute of Technology) and Deloitte Touche to advise me on the contract said, “You can fire them and, politically, you will be very popular for doing so because they are very unpopular now. However, every month the project completion is delayed, it’s going to cost the state \$175 million.” So I decided not to fire Bechtel.



When the procurement committee from the USAID Office of Acquisition and Assistance chose Bechtel to be our prime contractor in Iraq, I told Tim Beans, who was the head of procurement (director of the OAA Office in USAID), that if anyone intervened politically to try to influence the career officers on the procurement committee, he was to call the IG. He said, "I will, Andrew. Don't worry about it, I will take care of this." I didn't know who was chosen until the day it was announced because they wanted to keep me out of it, and I wanted to stay out of it, so the notion that somehow I had an improper relationship with Bechtel doesn't make any sense. In fact, I had a very contentious relationship with Bechtel. We renegotiated their contract with the Big Dig. We took away their profit and said, "You can earn it back if you keep costs below \$14.9 billion. If you go over \$14.9 billion, you are not going to get any profit from this entire project." It took 15 years to complete. For the historical record, I just wanted to set that straight! I never worked for, consulted for or had any relationship with Bechtel (nor has any member of my family) at any time in my career apart from supervising indirectly these two big contracts--the Big Dig and Iraq.

*Q: No, no. And I would think actually it was an incredible experience because most people really don't get experience overseeing huge infrastructure projects.*

NATSIOS: No, they don't.

*Q: And also because they almost always seem to have problems, involve overruns and all the rest of it.*

NATSIOS: That's right.

*Q: I would think that would have been very valuable, plus you've got to have a tough political hide, I think, to undertake that.*

NATSIOS: That is an understatement!

*[Laughter]*

NATSIOS: I remember one day while I was running the Big Dig my arms went numb after about four months into the job. I had fired the entire senior staff. I had sent forensics auditors in to look into the corruption. I was about 50 years old then, I think. Anyway, my arms went numb, so I called the doctor. He said, "According to your blood test, you have a lot of adrenalin in your system. Are you under pressure?" He knew I was under pressure because I was in the headlines every day. He said, "I think you should go out for a walk every day." And that's what I started doing. So stress was worse at the Big Dig than it was AID.

*Q: Okay, well, that would suggest a very high level.*

NATSIOS: *[Laughter]*

*Q: So the election of 2000 takes place, and George W. Bush wins. And that was the one that took a while to resolve, as I recall.*

NATSIOS: That's right because of Florida, the Supreme Court ruling and all that.

*Q: Right. When did it finally get resolved? It was in December some time, right?*

NATSIOS: No, I think it was in early January.

*Q: Early January, but the inauguration still took place on January 20<sup>th</sup>.*

NATSIOS: Yes, on time.

### **USAID Administrator 2001 – 2006**

*Q: At what point were you being talked to about becoming AID administrator?*

NATSIOS: Well, I don't know the date. I know I met Colin Powell in February to do an interview. I had never met him before.

*Q: That's right because he was secretary of state, right?*

NATSIOS: Right. He twice said, "Call me Colin." I said, "You know, I can't call a four-star general by their first name. As a military officer, I just can't do it." I didn't tell him that, but I still call him Mr. Secretary. It's not the being secretary of state, it's being the former chairman of the Joint Chiefs.

*Q: Right, it's because of the military.*

NATSIOS: We got along very well. Interestingly enough, he had ten rules of management, and I had, at that time, 17 rules of management and leadership. I said, "Well, why don't we exchange them?" It's very interesting how both reflect our personalities. He is much more cautious, more careful. Mine is more, "go to the front lines and start fighting." But it was very useful that we both had management philosophies. He would tell people, "These are my rules." I said, "That's what I do in all my jobs. I tell my staff that these are my rules on how I am going to run things." I also check myself to make sure I follow my own rules.

*Q: Right. And it's also helpful to know what your boss's rules are.*

NATSIOS: Exactly. Doug Aller told me after I left USAID to teach at Georgetown in early 2006 that people would be in meetings under Tobias or in the Obama administration, and the career people would say, "That's a violation of Rule #7." The political appointees would say, "What's Rule #7?" They would say, "Ah, don't worry about it." Some of them still have the rules posted in their cubicles, which I think is very amusing.

*Q: At this point, was Andrew Card in the White House?*

NATSIOS: Yes, he was the first chief of staff who served for six years.

*Q: He was the first chief of staff. Okay, right. And you knew the Bush family?*

NATSIOS: Well, I didn't know I was going to be chosen.

*Q: But Colin Powell still had a voice in this as the secretary of state?*

NATSIOS: He did. It was interesting. As time went on, we went to the battles together. We became very close. I learned a lot from Colin Powell. Some of my bosses I didn't learn much from; some I did. He, I learned a lot from. Often, in the middle of the morning staff meetings, which had 40 people with every seat always taken, he would say, "Andrew, I need to talk to you afterwards." Everybody would say, "What are they talking about?" He didn't do that to many people. He raised my status by doing that. And he did it often enough. Sometimes, it wasn't for anything. We would go in and talk, and I would say, "So why are we talking." He would say, "You know, I just wanted to talk to you."

*Q: But he did it intentionally to raise your stature?*

NATSIOS: I presume that was the purpose.

*Q: Because he knew the State Department culture?*

NATSIOS: Yes, he did. That's exactly right. He was a very good leader, I thought.

*Q: As a military person, he understood about rank and all that.*

NATSIOS: Exactly.

*Q: Hmm, very interesting. So you were saying, he had daily meetings?*

NATSIOS: Every morning. And if he were traveling, Richard Armitage would chair the meeting.

I have to tell you one of my funniest stories! We tried to revive the USAID senior management-training program. When I arrived, there had been no money for training at all, because of the budget cuts of the 1990s, which were catastrophic in my view. I'm big on training, so we got a \$15 million appropriation for it. Powell did the same thing. The State Department does not like training, as you may know. They really resent it. AID likes it, but they were unused to it from the years of the budget cuts. So we held a training course for senior management, and the AID mission directors and deputy mission directors were all required to take this class. There was a little resentment over this

initially until many of them came back to me afterwards and said, “Well, we’re glad we did this. It was very useful.”

Powell was taking a call from some foreign minister, and Armitage said, “We had the new State Department training and no one went, except for AID officers.” He was furious. I said, “Rich, if you have other vacancies, I will put the entire senior USAID staff in. They all thought it was excellent training.” And that statement pissed him off even more Powell changed rules at State and ordered people to go.

One retired colonel told me a story as we left. He was an SES (Senior Executive Service). He’d had two careers—first in DOD and then at State. He said, “I tried to put my staff through training when I arrived here from DOD, because training is a big thing at Defense.” The staff said, “Why are you punishing us?” He said, “I’m not punishing you, I’m trying to increase your skill levels.” At State, he said, training was a punishment for bad behavior. He felt that was the stupidest thing he had ever heard, and was stunned at the difference in culture.

*Q: That’s a very clear statement.*

NATSIOS: Yes, it is.

*Q: That was quite interesting to have two former military people being at the head of the State Department.*

NATSIOS: It wasn’t just the two. Powell had seven colonels and generals as under secretaries, assistant secretaries, chief of staff and other senior positions. Seven, in addition to Armitage! That’s why the place ran like clockwork when he was there, because military officers were running the State Department.

*Q: Interesting. One question to just ask in general terms. You know the AID Alumni Association is sponsoring this history of USAID, and I know you have some concerns, but one of the things the author is doing is getting a lot of materials through the presidential libraries and seeing the personal involvement of some presidents, particularly President Kennedy and LBJ (Lyndon Baines Johnson) who were deeply involved. In fact, I go to Austin this afternoon, and I am photocopying some materials.*

NATSIOS: Oh, LBJ was deeply involved?

*Q: Deeply involved. Just a sort of general question, the degree to which you saw President Bush involved? I suspect he probably was involved, but he was probably not very much a part of the historic record.*

NATSIOS: Oh, he was deeply involved. Well, it’s part of the White House record. He never got credit. He was annoyed by it, but he said, “Ultimately, we did the right thing particularly in Africa which had been neglected by previous administrations.” The entire foreign aid program (\$7 billion was being spent by USAID) was \$10 billion when Bush

was sworn in. It was \$28 billion when he left (at one point it had gone up to \$42 billion because of Iraq and Afghanistan). People think that the \$28 billion was all Iraq and Afghanistan, but most of it is not. If you look at the budget increases, the three great foreign aid presidents were Harry Truman, Jack Kennedy, and, in terms of funding and new initiatives, George Bush. Now each president had contributions. Ronald Reagan created the democracy program, Bill Clinton integrated democracy and governance under Brian Atwood, and Barack Obama had Feed the Future, the agriculture part of which was funded with new money (nearly a billion dollars). But Bush had 23 initiatives, all of which were funded with new money. A lot of the programs that other presidents did was a shell game. None of Bush's programs were funded from existing money, no shell games.

*Q: Do you recall specific meetings with him to talk about any of this?*

NATSIOS: Well, he was very orderly. He had an MBA from Harvard Business School. He did things in an orderly fashion, but there were a whole bunch of meetings. Condi Rice's staff called me just after 9/11. They said, "We're not supposed to put it in your schedule, but you're supposed to be at this meeting. We don't want any record of this." I said, "Why?" They said, "Just come to the meeting."

It was three weeks after 9/11. We had a meeting in Condi Rice's office, and that was my first connection to what was about to happen. Pete Pace was there, the vice chairman of the Joint Chiefs, and Richard Haass. Before we went into her office, I said, "Why are we here?" Richard Haass said, "I have no idea, Andrew." Pete Pace said the same thing. We sat down, and she said, "The President is very concerned that this intervention in Afghanistan not look like a Russian invasion, so you, Andrew, are going to be out in front for this. You are leaving next week with the presidential plane to go to all of the countries north of Afghanistan." I was planning to do that anyway, but this was nice because it meant I would have presidential protection, and the Pentagon would be paying for it instead of AID. I was the first senior civilian in Afghanistan in 10 or 15 years. I went in with heavy, heavy guard. My instruction from her was to be very visible.

*Q: Into the north?*

NATSIOS: Into the north I think it was Khwaja Bahauddin. It was the city that General Ahmad Shah Massoud was assassinated in. I went to that city deliberately. It's a Tajik city up near the border with Tajikistan.

Condi also told me during the same meeting in her office that I was to go on Al Jazeera, from their DC office to describe our relief efforts in Afghanistan. She said, "They are very hostile. You have to be prepared for that." So I went on. They let me talk for 10 minutes about the relief effort because a famine was developing. She said, "You are to talk about the aid effort, not the war effort."

*Q: And this is famine in Afghanistan?*

NATSIOS: It predated 9/11. I sent a DART team into Afghanistan in the summer of 2001, because we were getting what are called “pre-famine indicators” from the NGOs and the UN. I said, “This is a famine. I had told the senior career staff that were not going to be any famines anywhere while I am Administrator.”

*Q: Was this throughout the country, or primarily in the north?*

NATSIOS: It was primarily in the north. It was interesting because that became a major argument I made for the relief effort during a meeting in the NSC. Doug Feith said, “AID provides food aid regardless of politics or religion or anything else standard.” And the DoD didn’t want to hear that. Feith mentions the incident in his memoirs, but did not mention my name (I would have been honored if he had); he simply said someone from AID. So I said, “Well, what you’re basically telling me is, we are going to let all these people starve to death? The president said we’re not going to use food aid as a weapon, so are you disagreeing with the president?” That’s the first thing I said. Bush had made a public statement in the campaign that we would never use food aid as a weapon and he told the NSC the same thing after he took office. The Pentagon guy said, “Well, I know what the President said, but we still don’t agree with it.”

I had a map from the WFP showing the most food insecure areas. They were all Tajik or Uzbek areas. None of them were the Pashtun areas in the south, and in those days 80 percent of the Taliban were Pashtuns from the south. So I said, “Well, you don’t think we should feed our allies?” And that shut them up. They didn’t interfere with the relief program.

The president presided over this meeting at the NSC. It was a principals meeting. The AID staff had made a mistake in calculating the tons of food aid on the WFP truck convoys, and the president noticed it. He said, “Andrew, this doesn’t add up.” I added it, and said, “Oh my heavens. I’m briefing the president of the United States and he caught an addition error!” He said, “How many trucks do you have?” I said, “Ah, I’m not sure.” I was nervous for the rest of the meeting. I went back and told my staff, “If you ever give me a memo again that goes to the president of the United States, and the damn numbers aren’t even added up properly, I’m going to throw you out the window!” Anyway, the president paid very careful attention to the whole relief effort, among many other aid programs

*Q: And this was all pre-9/11?*

NATSIOS: This was after 9/11. I’m confusing you now. That summer they came back and said, “There are pre-famine indicators, but there’s no mass starvation yet.” I said, “We don’t want mass starvation. At that point, it will be too late!”

Before I made the trip, I went on Al Jazeera, after I met with Condi. The interviewer was nice to me –he was the same commentator from the Gulf who had interviewed her. He was very nice to me. I walked out, and I said, “Condi Rice told me that he was really kind of aggressive and nasty to her.” He said, “He likes you. You look like an Arab. He knows

you are a Greek-American, but the Greeks and Arabs get along.” I said, “That’s why he treated me well? Because I look like an Arab?” He said, “Don’t fight it.” I said, “I won’t. That’s fine with me!” That was astonishing. But I got 10 minutes on Al Jazeera evening news to describe all the programs we were doing to help people in Afghanistan from what was five years of civil war and drought.”

*Q: Right.*

NATSIOS: Anyway, the president was involved in meetings about aid. Whenever he had a head of state in from the developing world, he would have me in the room. I remember when Paul Kagame came, and Yoweri Museveni. I remember the State Department said, “You need to tell Museveni not to run for reelection. We’re going to tell the president to do the same thing.” The president said to President Museveni, “I don’t like to interfere politically in your country, Mr. President, but you know you’ve been in 25 years or whatever it is. You really shouldn’t run again.” He did it in a very gentle way. President Bush was a very good diplomat in my view.

*Q: Right.*

NATSIOS: Then there was a meeting with Meles Zenawi, the prime minister of Ethiopia. This is a bit of a self-serving story, but I need to put it in the historical record here. Meles brought his cabinet. That’s how it would work. Visiting heads of state would bring the cabinet with them, or their top people—finance minister, foreign minister. So we were meeting in the Roosevelt Room, and President Bush had a cutting sense of humor, which was sometimes at our expense. He said, “Mr. Prime Minister, I want you to meet our AID administrator, Mr. Natsios, and if he is not doing a good job, I can always replace him.”

*[Laughter]*

NATSIOS: I thought, “What?” I didn’t say anything. Meles, to his credit—I knew Meles when he was a rebel leader—he said, “Oh, no, Mr. President, we actually had a celebration when you appointed him.” And the president said, “You did?” He said, “He is regarded as one of our best friends in the United States. We were very pleased you appointed him; don’t replace him. So, thank you.” The president said, “Oh, well, that’s very nice to hear.” I thought, “Holy crap!” As we walked out, the president turned, and he said, “That was a very nice compliment, Andrew.” I was going to say, “Yes, but you didn’t have to say you were going to replace me if I wasn’t doing a good job!” But he did these little zingers once in a while to keep people on their toes.

One indication we had that the president was really focused on this aid occurred the summer of 2001, before 9/11. The president went to the World Bank and gave a speech to say, “We’re not spending enough on education in the developing world, so I have instructed the AID administrator to increase the education budget by 25 percent.” I got this note. I said, “Why didn’t he check with us first? I’m happy to spend it, but is this new money?” It turns out, it was new money to be put in the budget. Jonathan Dworkin, who was from OFDA and seconded to the NSC staff, filled me in. He was in the room when

the president was being briefed for the Kananaskis [Alberta, Canada] G-8 meeting. Russia was still a member then. The briefer told the president the U.S. ranked 28<sup>th</sup> out of all donors in terms of ODA (Official Development Assistance) as a percentage of GDP.

*Q: For ODA, for education?*

NATSIOS: No, for all ODA.

*Q: For everything, okay.*

NATSIOS: We were ranked very low. The president said, “No, that can’t possibly be true.” The briefer said, “Well, here’s the budget.”

*Q: Percentage of GDP (Gross Domestic Product)?*

NATSIOS: Yes. The president thought that was unacceptable. That’s when the decision was made –it was before 9/11—to increase the AID budget. I told Powell during my first interview, “We’re spending \$1.2 billion on development in Africa—not including the relief assistance in wars and famines, the humanitarian programs—I’m talking about development. It’s the poorest area in the world. This is an embarrassment to the United States.” Powell agreed. Powell and I made a commitment that the two of us would work to increase this budget for Africa. By the time Bush left office, the development budget was \$8 billion in Africa. That is not a small increase.

Some of my critics said, “You know, it was all run outside of AID.” Baloney! Of the president’s 23 development initiatives, 19 were assigned to AID. The MCC (Millennium Challenge Corporation) was a major Presidential initiative. The AID staff at the NSC told me that in three different meetings regarding MCC programs, the president said, “I want AID running this.” Gary Edson on the White House staff who was managing the process for the MCC said, “AID can’t run this. They are dysfunctional. We don’t think Andrew can save it.” We had a fight with Gary Edson, who established MCC and was on the president’s staff, over these programs.

*Q: Let me go back on MCC. As I recall, the international financing meeting was in Monterrey, Mexico?*

NATSIOS: Yes. I went to that with Powell.

*Q: And that’s when he announced the Millennium Challenge?*

NATSIOS: Yes, and we designed it! Steve Brent is the one that ran the unit.

*Q: ...and who talked about Millennium Challenge account?*

NATSIOS: Yes.



*Q: Was that the beginning of the discussions of MCC?*

NATSIOS: And we did all the research. We designed it to be run out of AID.

*Q: To focus more on economic growth and the main constraints to economic growth?*

NATSIOS: Yes. Exactly. The business model of the MCC is the business model AID used from its creation under President Kennedy in 1961. Brian Atwood changed it in the 1990s to the system we have now for a variety of reasons, which would become very clear if you try to run it a different way. The reason AID has contractors and NGOs running things is that a lot of money would disappear otherwise. Because of the nature of development, we couldn't always prove quantitatively that our programs were working, and that causes a problem for budget allocations.

I told them at the establishment of the MCC, "There is a reason the system is as it is. And you guys had the IG on our backs all the time, so we designed a system that responds to the pressures." This is what my book is about.

*Q: Okay. But the president wanted to put more money into economic growth, and recognizing the importance of it for poverty reduction, wanted to use the Millennium Challenge Account as being a way to do that?*

NATSIOS: Yes, exactly.

*Q: Then once it got into the NSC, the NSC came up with the idea of a new entity?*

NATSIOS: No, it was not the NSC. Gary Edson was on the president's staff. He was the one who worked with Steve Bent. So he used all the information we provided, but AID designed it.

*Q: Who did Gary Edson...? Didn't he work for the NSC?*

NATSIOS: I thought he was just senior White House staff.

*Q: Oh, okay.*

NATSIOS: He took a conservative ideologue's view of AID that it was dysfunctional and couldn't be fixed. He and I did not get along. White House staff told me he got into fights across the bureaucracy. So we weren't alone.

*Q: Right. So Gary Edson was the key to MCC being a new entity?*

NATSIOS: Right.

*Q: But even then, when I returned to Washington in late 2003, I was doing some work with Steve Brent, who was in PPC and was going to the White House and working out all*

*of this in the very early stages. Gary Edson was the key person. Then I think we even provided a contractor. Cynthia Rozell came in and worked with the White House on the design of all this.*

NATSIOS: Yes. I know Cynthia. She was a retired officer, wasn't she? She and Steve did an excellent job researching and designing the MCC.

*Q: Yes, she was retired. So the decision then was made on MCC, but the AID administrator was made part of the board?*

NATSIOS: No, not in the White House draft. Gary took me off the board in retaliation for the infighting. Senator Richard Lugar put me back in when it went to the Senate.

*Q: Ah, when it went to the Senate?*

NATSIOS: Senator Lugar's staff decided that it wouldn't make it through the Senate unless the AID administrator was on the board of directors. Gary resisted it, but they said, "We're putting it the legislation in whether you like it or not."

*Q: I know one of the issues when I was there, and Steve Brent and I were trying to talk to the White House staff about it and obviously lost, was when they decided to do basically the project implementation units. Basically creating a parastatal to manage it...*

NATSIOS: The same thing the World Bank has, and it's a disaster!

*Q: ...and not working with a host-country institution, but doing a parallel structure.*

NATSIOS: Well, that is in my book. People don't understand. The MCC is not a new business model. It takes a lot of stuff from the World Bank because a lot of the officers were either retired AID officers or retired Bank officers. The original people came from Wall Street, and they weren't effective, so they got rid of them and brought in development professionals. And what did they do? They brought their experience with them.

*Q: Right.*

NATSIOS: There is a whole literature on PMUs (Project Management Units), you know.

*Q: Right. I've been against them all my life.*

NATSIOS: Yes!

*Q: But have often lost because of the accountability issue that people like to control. Before we go on to talk about PEPFAR (United States President's Emergency Plan for AIDS Relief)—we may have to defer that until our next session—but when you first came*

*in, one of the first things I know you did early on was really looking at the organization, looking at the pillar bureaus and where technical staff should be located.*

NATSIOS: That was a big issue.

*Q: And how you went through that thought process of whether to centralize the technical staff or not centralize it.*

NATSIOS: I made the decision before 9/11. We would never have been able to do what we did after the war started. The bureaus were not going to voluntarily give up their technical staff. Moving it all into the central technical bureaus allowed us the flexibility later on to redeploy those technical resources depending on the contingencies of the moment.

*Q: Right, but it did turn out to be helpful obviously.*

NATSIOS: Very helpful.

*Q: But your initial motivation for doing it was?*

NATSIOS: Rich Bissell is a good friend of mine. We served together in Bush “41,” and he said, “Andrew, the fight from the beginning has been will you put them in a central bureau, or will you put them in the regional bureaus?” They had never resolved this. I said, “Well, I’m going to resolve it because I’m going to move everybody.” Rich told me, “You’re going to have a lot of political resistance from the Regional Bureaus if you do that!” I had people walk out of the room. I mean, AAs would be so enraged that they would get up and leave the meetings. I said, “You know, normally I would fire people for doing that, but I’ll tolerate it.”

*[Laughter]*

NATSIOS: It was a very emotional subject, a very emotional subject. I thought it was a better way of running things. I still do. The Global Health Bureau, frankly, it’s a jewel, and it’s very successful. I told Emmy Simmons, “You need to replicate the Global Health Bureau structure in EGAT (Bureau of Economic Growth and Trade).” And she tried. DCHA did the same thing, and it turned out very well. They broke it up now, in this new reorganization, but they still have a bureau.

*Q: Although in a sense, they have just added more to look at the humanitarian relief.*

NATSIOS: Right.

*Q: But it actually follows your model, I think.*

NATSIOS: It does, actually. Yes. We created the Office of Military Affairs, which I am very proud of, and the Office of Conflict Mitigation and Management, CMM. I asked

someone, after I left, at the UN and World Bank where the best research came from on conflict and development. They said that the CMM office at AID is regarded as cutting edge in a lot of research, and the instrument it uses for its assessments is regarded as one of the most advanced among aid agencies and governments. So I think they have done a nice job. And the Office of Military Affairs, or whatever they call it now—Civil Military Operations—the woman who ran it was from the NGO community under Obama. She told me, “You know, we have 20 military officers here. It’s grown. There are 40 people. Twenty career people from AID, and 20 military.” That’s a big office.

When we created the Office of Military Affairs we also created Backstop 76 which was supposed to be a backstop in the foreign service for disaster or crisis management.

*Q: Now, had you done this prior to Iraq and Afghanistan?*

NATSIOS: In the summer of 2001, we started the process. Now, it took a year.

*Q: You started that new backstop. So you had started all of that.*

NATSIOS: Yes. I planned on that way before I took over AID, because when I tried to get Garvelink promoted at OFDA in 1991, I had people on the committees in Personnel say, “He’s not in the mainstream of AID, so he’s not going to get promoted.” I said, “You’ve got to be kidding me.” They said the same thing about Dayton. If they weren’t doing a good job, that would be one thing. But Personnel’s problem was that they weren’t in a development position, weren’t mainstream. I thought that reasoning made no sense. I had Larry Saiers actually say to Julia Taft, in my presence, the day I came into the Agency—I was there for a week while Julia was still the director—he said, “We can’t deal with your crap programs anymore, Julia.” Julia was livid. It was in front of Ray Love, in the administrator’s office. I will never forget it. “Crap programs....”

*Q: Well, that’s disappointing to hear because I am a big fan of Larry’s. He was the architect of the Development Fund for Africa.*

NATSIOS: And I support that. In fact, I tell people when they talk about the MCC as a performance-based systems, AID already had a performance-based system.

*Q: It was the best legislation I ever worked under.*

NATSIOS: And Larry did it. But he did not understand humanitarian side of USAID’s work... Was he a Foreign Service officer or a civil servant?

*Q: He was Foreign Service, but he had not spent a lot of time overseas.*

NATSIOS: And I think he probably had never seen a famine before or a civil war.

*Q: Right.*

NATSIOS: Once you see that, it marks you.

*Q: Right. I think he was also the counterpoint to when there were so many bad interpretations of basic human needs and poverty reduction that minimized any focus on economic growth. He was the counterbalance to that.*

NATSIOS: And I support that.

*Q: I always laugh that we were jerked from one side to the other throughout my AID career, and what you need is a balanced approach.*

NATSIOS: Absolutely. They are not contradictory.

*Q: The world has to respond to both.*

NATSIOS: Am I exhausting you?

*Q: Oh, no, not at all. I've got to be as energetic as Andrew. So let's go back. You came in as the administrator in May of 2001 by the time you were confirmed?*

NATSIOSN: Actually, I came into AID on the 13<sup>th</sup> of March, as a contract staff for an advisor. I remember the first week. Holly Wise came to me with Barbara Turner and said, "We have an idea, and we want to get your view on this." Of course, I wasn't supposed to make any decisions because I hadn't been confirmed yet.

*Q: This was the GDA (Global Development Alliances)?*

NATSIOS: The GDA. I approved it. They said, "You're not supposed to approve it until after you are sworn in." I said, "I am approving it now. Start working."

*Q: I'm glad you mentioned this because I always remembered that. I talked to people that told me that during transitions, the career staff can actually develop new ideas and present them.*

NATSIOS: They do, and they conceptualized the GDA.

*Q: And that's one of the most valuable things to do in a transition.*

NATSIOS: Yes. I would not have called it the GDA. I would have called it something better. It's not a good marketing term.

*Q: No.*

NATSIOS: But it stuck. There are 14 legacy things I did all of which are still in place a decade and a half later, and that is one of them. And I am very proud of it.

*Q: Okay.*

NATSIOS: I wrote an article about it for the *Stanford Social Innovations Review* published in Fall 2009 issue called “Public/Private Alliances Transform Aid”, their journal of the business school.

[https://ssir.org/articles/entry/public\\_private\\_alliances\\_transform\\_aid](https://ssir.org/articles/entry/public_private_alliances_transform_aid)

*Q: Ah, I missed that. I haven't seen that because I get that. We'll do a link to that one! You were then confirmed, and I assume the confirmation process went easily.*

NATSIOS: I have to tell you a story about Senator Paul Sarbanes. He was the chairman of the committee. He called me up before the hearing and he said, “Is that a Greek name?” I said, “Yes, it is.” He said, “You’ll have no trouble in this committee!”

*[Laughter]*

NATSIOS: At the time, Senator Jesse Helms wrote a letter for me, endorsing me. I was a little nervous because I knew his reputation. It was because of my connection to the church through World Vision. He wrote a letter to the president saying, “We want Natsios.” I think what happened is, Samaritan’s Purse, which he was close to, called him. I knew Franklin Graham and Kenny Isaacs, who was in leadership at Samaritan’s Purse and later became the director of OFDA. They decided to endorse me. I sailed through very quickly.

*Q: It's always good for AID when that happens.*

NATSIOS: Oh, absolutely.

*Q: And to be on seat as quickly as you were. That's also rare, because USAID has not usually been given that priority in the administration.*

NATSIOS: I know that. It’s another indication that President Bush took AID very seriously.

*Q: So you were confirmed and then started May 1, and then September 11 happened.*

NATSIOS: The world changed.

*Q: We were all in Sofia, Bulgaria.*

NATSIOS: That’s right, you were there.

*Q: I was there. When we broke up from a meeting, and we were going to be convening for dinner, the word filtered through about the World Trade Center... We all went upstairs to our rooms. By the time we came back down two hours later, I think the second building had been hit, and they had fallen.*

NATSIOS: And the Pentagon. Very emotional.

*Q: It was a very quiet dinner but all the AID directors from the former Soviet Union were there and we had our local partners with us, and the local partners were all exuding such incredible compassion for us.*

NATSIOS: I remember.

*Q: I was with the Russian delegation, and it was a very moving experience.*

NATSIOS: Yes, it was. I remember I called Janet Ballantyne, who served as the Acting Deputy USAID Administrator. I was watching it happen on TV, the second trade tower. I said, “Janet, this is not an accident.” She said, “No, it’s not.” I said, “You need to get everyone out of the building.” She said, “We’re not supposed to get anyone out unless OPM (Office of Personnel Management) approves.” I said, “Forget them. You get everyone out of the building.” But she couldn’t tell people to leave at once because there was no way to communicate with the entire staff. There was no speaker system. She had to go from floor to floor. She got everyone out, in violation of OPM rules. I came back. It was a week later because they closed all the airports, as you remember. I do have to say that it is not a bad thing to be stuck in Sofia. It’s a very nice city, one of my favorite cities.

*Q: Although the poor AID director had you for an extra week.*

NATSIOS: That’s true! When I got back, the staff was traumatized. The Director of the USAID Security Office Mike –what was Mike’s last name? You know who I’m talking about? The director? He was retired military.

*Q: Right.*

NATSIOS: He showed me a picture—I’ve never told anyone this—a picture the Special Forces found in the Taliban headquarters with a drawing of the next building they were going to target, and it was us.

*Q: Oh!*

NATSIOS: It was very clearly the Ronald Reagan building. It was a hand-drawn, pencil diagram of the building. So they were going to attack us if they could.

Anyway, I asked Janet to chair a committee from each bureau to talk about security measures. We put that material on the windows that would keep the windows from shattering if there was an explosion. Those planters outside are not planters; they are barriers to vehicle loaded with bombs. Anyway, we had all these security measures Then I said, “I want a speaker system so we can alert the whole building at once.” GSA said, “You can’t install it without GSA approval.” I said, “Watch me!” It cost fifteen thousand

dollars, but we installed it. It was only controlled from the Administrator's office, so no one else could use it. Janet got it done, and she calmed everyone down at those hearings we had on the security for the building.

*Q: You had sessions throughout? Town hall meetings with staff?*

NATSIOS: For weeks. Janet did it. People were very traumatized for reasons that are entirely understandable. People don't realize how vulnerable the whole federal work force felt, and how Americans felt about what happened.

*Q: Right. The Reagan building has public parking underneath. It was always a concern that anybody could drive in there.*

NATSIOS: I know, I know, believe me! My office was closest to the City Hall and they were still parking cars right behind it. We couldn't get them to stop that. I said, "This is nuts." I remember it all very, very well. I remember going in and opening the AID compound in Kabul.

*Q: Within a couple weeks, because then you were sent off on this trip to the 'stans and into northern Afghanistan.*

NATSIOS: Yes. I met the prime minister of Uzbekistan, the president of Tajikistan, who yelled at me for half an hour about Pakistan getting all this money, and Tajikistan getting none. I said, "Mr. President, can you open your borders up to WFP so we can get the food in?" Then I went to Turkmenistan, to Kyrgyzstan, and to Kazakhstan. Larry Napper was the ambassador. He remembered seeing me. He sits next to me here at the Bush School. He teaches here. He was ambassador to Kazakhstan at the time.

*Q: USAID at that point had the Central Asia office, and there were representatives in all those countries.*

NATSIOS: Right. We had AID representatives in all of them, and the mission was in Kazakhstan, in Almaty. I went into the city in Northern Afghanistan. I remember we got lost going into the city in a US Airforce helicopter. I can't remember the name of the city. Mike Harvey was with me, who later became mission director in a bunch of countries. We were very close. He worked for me in OFDA in 1989-1992.

*Q: Right. He had been a Food for Peace officer.*

NATSIOS: That's right. Mike spoke Russian, so the Air Force pilot said, "You know, I just want to get a little bit better sense of where the city is." I said, "You're lost, aren't you?" He said, "No, no, we're not lost. We just want to get a better idea of where it is. Can we have your guy go on?" I said, "My guy? Why don't you have someone armed go out? How do you know who those guys are on the ground?" They were on horses. He said, "Well, no, this is a safe area. It's a Tajik area." I said, "How do you know that?" Mike went out and talked to the Afghans on the ground said they said, "Five kilometers this



way is Khwaja Bahauddin. So we flew in, and I will never forget this, we landed. Complete chaos in the city.

We went to a café that had been built with Food for Work using USAID food aid to pay people for the construction job. These classical Greek columns held it up, with a little bit of Persian influence on the top. I said, “What the hell is this?” They said, “Well, there are the ruins of a 2000 year old Greek city about five kilometers away that we are fighting the Taliban for. We asked the people in the village, ‘What do you want?’ They said, ‘We want a café the men can go and drink tea in.’” I asked them, “So we decided to go into the city and take all the statuary still there?” I thought Alexander’s cities collapsed after 40 or 50 years, but they actually lasted, 400 years after they had been built. These cities had baths, they had an arena, and they had a theater. Afghanistan didn’t have any cities before Alexander’s conquests. The architecture evolved so it was a merging of classical Greek architecture with Persian architecture. This new structure they had built was like a giant museum, but it was a new café. And it was huge. The head of the French NGO that built it with AID money said, “I hope you don’t mind us doing this?” I did not.

I had Black Ops, from the CIA, protecting me, and they had these giant black bags. I knew what was inside. We went to the Food for Peace compound where all the food was stored. The Black Ops guy said, “Sir, can we leave?” I said, “I’m not finished with the inspection.” He said, “This city is controlled by the Taliban at night, and they are coming back into the city. They want to kill you in particular, but they’re going to go after us, too.” I said, “Are you sure of that?” He said, “Yes, sir, we need to leave.” I said, “It will take us an hour to leave.” He said, “No, it will take five minutes. The helicopter is right outside the gates.” And they flew in and took us out, because they were getting nervous, very nervous. Interesting time.

*Q: So you did all of that and then go back, but this was still just planning, looking at the food and potential famine issues. When did the planning start for...., because I don’t remember when the invasion for Afghanistan started?*

NATSIOS: It started when Special Forces went in, in October 2001.

*Q: Okay.*

NATSIOS: In fact in that meeting we had with Condi Rice, she said, “It’s pretty clear now that al Qaeda did this, but they are allied with the Taliban.” That had not been made public by the time we had that meeting. That was mid-October, I think.

*Q: So they went in shortly thereafter?*

NATSIOS: They went in shortly thereafter. They were fighting. I could hear the artillery near Khwaja Bahauddin when I was there.

*Q: Okay. So the U.S. military was in there fighting.*

NATSIOS: Oh yes, absolutely with the Tajiks. The Tajiks dominated and led the Northern Alliance. They were our allies. The reason al Qaeda assassinated General Massoud several days before 9/11 is because he was going to be the leader of the Afghan resistance against the Taliban and al Qaeda. They knew that, so they assassinated him three days before 9/11. It was all coordinated.

*Q: Okay. So you got back to Washington, and when does the planning begin for Afghanistan reconstruction? I mean we go in with the military. We must have begun to think about what was going to happen next.*

NATSIOS: I put a task force together when I returned that would be led by OFDA and Food for Peace, under the DCHA Bureau. But DCHA didn't exist at the time. It was still the Bureau of Humanitarian Response. I asked Jim Kunder to take over as Acting Mission Director in Kabul in December 2001 and when he returned a few months later I named him the DAA for the Asia Bureau in charge of Afghan reconstruction and co-chair of the Afghan Reconstruction Task Force.

*Q: What was happening interagency on this? Was there a broader interagency?*

NATSIOS: There was a broader interagency. The problem was State and DOD disrupted our planning process constantly by demanding we divert money from one program or region to another. This went on for years under both Bush and Obama Administrations. . They told us what to do. I said, "What's the use of doing planning? Every time we put a plan down, they change it. And every day Hamid Karzai asks for something. The Afghans see the ambassador—Ryan Crocker was the acting ambassador—and go to him and say 'We want this done, we want that done.' That's not how you do a strategic plan." So I suspended all the rules, and I said, "We're not going to have a plan for the first couple of years." We did have planning done, but we did not have a country strategy, and the reason is because the reconstruction effort was very reactive to diplomatic and military contingencies. The interagency process from 2001 through today (2018) could never decide whether the reconstruction process was the principal objective, or defeating the Taliban, or combatting the narcotics trade which was corrupting the country. Reconstruction and creating a functioning government would have required compromising these other two objectives.

*Q: Right. This was after AID went in and we recreated the AID mission. But I'm thinking about even before that. There's the famous Colin Powell quote to the president, or maybe that was Iraq. "If you break it you own it"*

NATSIOS: "You've got to fix it." It was Iraq, not Afghanistan.

*Q: That was Iraq. Okay, so on Afghanistan, was there an interagency group?*

NATSIOS: There were interagency meetings every week. I went to them, or Fred went to them.

*Q: And the decision was made to then reestablish the AID mission in Afghanistan?*

NATSIOS: I was about to announce in Kabul the reestablishment of the AID mission, but Powell beat me to it by three days. I opened the Islamabad mission in mid-January of 2002, and then I went to open up Kabul. He had already opened up the embassy, and he opened up the AID mission. All of the trucks, the armored cars, the logistics system, and the communications were all from OFDA for the embassy, not just the AID mission.

*Q: Okay. So all of that was taking place in January of 2002.*

NATSIOS: It was very shortly thereafter. I met Karzai in the presidential palace with Ashraf Ghani, who was the finance minister in the new government.

*Q: So Karzai had come in that early? What did they call those sessions with the traditional Afghan...?*

NATSIOS: Shuras.

*Q: Shuras. And that was what selected Karzai at the outset?*

NATSIOS: No, I thought he was selected at the Bonn Conference, which took place in December of 2001. The donors and the Afghans met and put together the governance for Afghanistan that I think was formally affirmed by a Shura later. It was supposed to be another guy, not Karzai. But the Taliban assassinated him. He would have been a much different leader. Much more aggressive, more thoughtful, more visionary, and the Taliban and al-Qaeda knew that, and they went after him.

*Q: So, in January 2002 or so, the AID mission is reestablished. Was Craig Buck the mission director?*

NATSIOS: No, Kunder was the mission director initially. Acting.

*Q: Oh, Kunder went in. He was the head of OFDA?*

NATSIOS: No, he was the DAA for the Asia Bureau.

*Q: Oh, that's right.*

NATSIOS: We had another political AA who turned out to be a problem, so I removed her. We then recruited Wendy Chamberlain, the Ambassador to Pakistan, to be the new AA for the Asia Bureau.

NATSIOS: It wasn't being driven by AID. We had to run the humanitarian programs because the country was in crisis. Then, we had two million refugees who were going to come back from the camps in Pakistan and Iran, huge numbers of people. I think three

million people came back in total including from Iran and the other surrounding countries.

One of the first programs we started was the Kabul to Kandahar highway. That was assigned to me in December of 2002. Before that, I made an announcement in January 2002 that we were going to rebuild the airport AID had built in 1962 in Kandahar. That apparently had a big effect because the Afghans said, “That means the Americans are not going to abandon us again. They are coming here to stay.”

Before we actually sent the troops in around December, I told the head of the agriculture office –which was still in EGAT but is in E3 now–to get a wheat seed that had high output per hectare, and also drought resistant properties and high productivity from ICARDA (International Center for Agricultural Research in Dry Areas). It had been tested and tried all over the Middle East and was very successful. We bought it all over the Middle East grain markets. We distributed it early in 2002 for the spring planting. It was very successful, and increased yields by 80 percent in some areas. They did some estimates, and they said, I think, that 180,000 additional tons of food were grown because of that seed.

The other thing we did was a school textbook program. We had the old royalist textbooks from when the king was in power in the 1960’s. UNICEF was very angry with us over this, because they were planning to issue “modern” improved curriculum texts for all of the Afghan schools, but our program used old fashioned existing texts. I said, “We don’t have time for that. We need to get the kids off the streets and into a schoolroom under adult supervision.” Out on the streets, kids were facing a lot of trauma and danger from landmines. I sent Nitin Madhav in, who was a young staffer, civil service officer, on the Afghanistan Task Force. He spoke fluent Farsi and probably five other languages. We sent him in to Peshawar to have five million textbooks printed from all the major subjects (200 different texts), except religion. Those textbooks are still in use now. The intelligence community told us al Qaeda planned to assassinate Nitin because they wanted to stop the textbook program and the opening of the school, so we had to bring Nitin home before we lost him. At first he refused to leave, and I said we are not going to loose staff he must come home.

*Q: And these were using the old...?*

NATSIOS: Royalist textbooks.

*Q: So they still had the textbooks.*

NATSIOS: We had them. They were at the University of Nebraska. There was an Afghan center there.

*Q: Ahh. That’s right, they had done that contract.*

NATSIOS: I put a team together of nine people, four women and five men, who were journalists or scholars, to read them and delete all of the anti-Russian and anti-Israel sentiment. There was so much stuff to deal with. The Taliban had scraped all the pictures of women out. The stick figures, they took them all out. We had to put them all back in again. It cleaned it up.

We had a big controversy, because every book, including mathematics and biology, started with the phrase, "In the Name of Allah the most merciful" They took the first two lines of the Koran and put it at the beginning of each textbook. I said, "I'm going to get into trouble for this." But the Afghans said, "No textbook is going out unless that's in it." I said, "It's your country. We'll put it in." The country is 98 percent Muslim. But we got in political trouble over this. An evangelical pastor from Tennessee threatened to sue us, and so did that folk singer, Arlo Guthrie I think it was, who ran this First Amendment push to prevent religious schools from getting money. So I had a left wing and a right wing group threatening to sue us! The General Counsel's office showed me the letters, the lawsuits. The only thing religious thing in these textbooks was the first two lines of the Koran.

*Q: Yes.*

NATSIOS: I called the GC (General Counsel) and I said, "I want you to connect the two of them." Connect this evangelical pastor from Tennessee who started this lawsuit, and...it was Arlo Guthrie! He had some kind of a First Amendment case for the protection of separation of church and state. He sent a letter threatening a lawsuit. I said, "Put them together, and have them talk to each other. They will stop the lawsuit when they find out we're getting attacked from both sides." And they did. They withdrew the lawsuits once they both found out they had filed the same lawsuit. And we went ahead with it, and it worked.

We paid teachers with certificates, vouchers, to get USAID food from WFP. Fifty thousand teachers were paid with food. We actually said, "Do you want cash?" They said, "No. Cash is useless. We want the food to feed our families, and we'll go back to school." So we set the school system up, patching it all together with the resources we had.

*Q: Yes. Right. Do you recall how long Jim stayed? Didn't Craig Buck go early on?*

NATSIOS: Yes, he did go early on. I thought it was several months later.

*Q: It may well have been.*

NATSIOS: They were living in the bunker underneath the ground because there were still artillery attacks. And then Craig took over. One reason we sent him was because Robin Cleveland liked Craig, and she was in control of the aid budget at OMB. We were having terrible fights with her, but for some reason, he got along with her. He was mission

director in Kosovo before this. And was skilled at setting up new missions, which Afghanistan was.

*Q: He had done a lot of startups.*

NATSIOS: Yes, he had. This is bringing back a lot of old memories.

*Q: Because this all started in 2002, I really didn't get back to Washington until late 2003. This early period, there were obviously interagency meetings constantly?*

NATSIOS: At least once or twice a week, there were NSC meetings on Afghanistan. Fred and I were not allowed into the Iraq meetings for a year. Rumsfeld did not like USAID, apparently, and they prevented Fred and me from going to those meetings until Negroponte became the US Ambassador in June 2004.

*Q: Did some of this evolve because of differences of opinion about Afghanistan?*

NATSIOS: Yes, we had terrible fights with the Pentagon, particularly Rumsfeld's office. He had a guy named Marty Hoffman, who was his legal counsel. He was paid one dollar. He was Don Rumsfeld's best friend. They were roommates together in college. Marty had an agricultural NGO, and he unsuccessfully tried to get AID money in the 1990s. He hated AID, and thought we were all a bunch of incompetents. He brought in John Costello from this agricultural development contractor that had done agriculture in Ukraine, and told us to give him \$50 million. I said, "He can compete for it like everyone else. We're not giving anybody any money in sweetheart deals." He should not have even been in my office.

I had someone from the Pentagon say, "A monkey could do this work. Any idiot could do it. You don't have to have any talent." I said, "Well, if you don't understand how complicated this work is, I suggest you stay in your own lane." These were not uniformed military. They were civilians. After the Pentagon ran the reconstruction program in Iraq for a while and got into endless expose's and scandals, they stopped saying that.

*Q: That early period on Afghanistan was obviously very difficult. I assume the State Department was also frustrated by how some of this went?*

NATSIOS: They were. The first person they sent was a very nice guy, but they needed a pro consul. They needed someone who was like Ryan Crocker, who was a powerful figure who could make people act. They sent this guy because he spoke four languages, including Dari and Farsi. He was a linguistic expert. But he was very self-effacing and rather quiet. He didn't push Karzai much. He got pushed around by the military.

I think the second person USAID sent as mission director, Patrick Fine, it was only a one-year assignment.

*Q: Patrick Fine, right.*

NATSIOS: I promoted him out of rank. He was only deputy mission director in Senegal, and he was about to go into the largest AID program in the world. The third person was Alonzo Fulgham. I made him mission director because he was the head of the task force in Washington.

*Q: Well, let's talk about, one of the things, because when you started out, the Asia Bureau was playing a major role. Then you created an Afghan task force to...?*

NATSIOS: To merge OFDA and the Asia Bureau.

*Q: So you created this new entity to provide the Washington oversight?*

NATSIOS: Right. And then we transitioned away from OFDA running it to the Asia Bureau running it. The task force reported to the Asia Bureau.

*Q: Oh, they did?*

NATSIOS: Yes, they did.

*Q: Because it was later I think that there was some kind of—maybe it was in the Obama administration—they created some sort of special office?*

NATSIOS: Oh, they did. They created a special bureau. I did not do that.

*Q: Okay. So it was part of the Asia Bureau, but it was a special task force. And that was, again, OFDA playing a major role at the outset?*

NATSIOS: Well, because we needed to stabilize conditions on the ground..

*Q: The emergency work? I recall that Chris Brown was one of the early people who went in because he went to high school in Kabul.*

NATSIOS: Yes, he was. He went to high school in Kabul. His father was a Foreign Service officer. He spoke fluent Dari, and that was very useful.

*Q: One of the early programs, I think also, was to try to work with, or to create, an American University of Kabul.*

NATSIOS: Yes. The State Department told us to do that. I was reluctant to do it as I thought it would be unsustainable on its own

*Q: State Department. They wanted it.*

NATSIOS: It was Zalmay Khalilzad who wanted it done. I said, "Fine, we'll do it. Just give us the money." Its one of the best universities in Afghanistan, but it is still not financially sustainable which is why I was resistant to it in the first place.

The other thing we did was work with the media. That was the most successful thing we did in Afghanistan. It's now a multi-billion dollar industry there. We provided the \$2 million in capital to start the first radio and TV stations that were privately owned by two Afghan brothers and a sister who were from Australia. They're Afghan-Australian.

*Q: Was that done through Internews or someone?*

NATSIOS: Yes, it was. OTI (Office of Transition Initiatives) funded it.

*Q: Yes. When did Khalilzad get there? Was he at the NSC initially, and then became ambassador?*

NATSIOS: I believe he was at the NSC, and then he was chosen. He had low regard for AID. He was more with Rumsfeld, and we had a lot of trouble with him. Still, to this day, he denigrates what we did; he sees development as construction projects.

*Q: One of the other things I was thinking about that had been done on Afghanistan, and I'm not sure at what point, but they set up the special audit, the Office of the Inspector General for Afghanistan?*

NATSIOS: That was done after I left. The IG for Afghan reconstruction is out of control now, in my view. The audits he's doing are misleading, highly politicized, sensationalist and inaccurate. His press attacks are far worse than the audits. They are attacking everybody.

*Q: But that wasn't done at the outset.*

NATSIOS: It wasn't done while I was at AID. I think it was done in the Obama administration, or late Bush administration. They never audited anything we did when I was Administrator.

*Q: Okay. Now, one of the other things that did happen on Afghanistan, but it may have happened later as well, is when they created a State Department Coordinator for Afghanistan. Was that later as well?*

NATSIOS: That was later as well, yes.

*Q: That was later as well.*

NATSIOS: They had a task force, but the notion of a coordinator for reconstruction was later. That did not take place when I was AID administrator that I can recall.



*Q: Okay. Now you had mentioned some things being done by OTI. So we had OFDA, OTI, and the AID mission?*

NATSIOS: And Food for Peace.

*Q: And Food for Peace. So everybody was there doing humanitarian relief in the beginnings of a development program.*

NATSIOS: Right.

*Q: Do you recall, at the beginnings of the development program, education was one of the things that was a priority and infrastructure was another?*

NATSIOS: Right. And agriculture. Chemonics was awarded the contract. I think it may have been an IQC (Indefinite Quantity Contract). In January 2002, I had gone through the whole Panjshir Valley and the Shomali Plain, north of Kabul, which really was the breadbasket for Kabul. It was completely devastated. The Taliban cut down all of the vineyards and orchards, and burned down all the mosques because it was a Tajik area and the Taliban were Pashtuns. It was terrible, the damage. I knew we needed to repair the orchards and vineyards, and get the agricultural system there back up and running so the area could feed Kabul. I went back in December of 2005 and the change was astonishing. We spent \$30 million rebuilding the whole irrigation system because it had collapsed. It was not new, but a rebuilding of the Russian built system irrigation canals above ground. These old karez were bringing the water from the Hazārajāt, this central alpine plain. When the snow would melt, the water went down underground. Three hundred year old huge caverns brought all the water down to irrigate the lowland areas of Afghanistan including the Shomali plain. These karez were in bad shape, and we rebuilt those as well. But they were a traditional irrigation system.

We also built courthouses, at the insistence of the Pentagon. They thought, “Well, we need rule of law so we’re going to build courthouses.” I told them, “That’s not the rule of law. You can build all the courthouses you want. It doesn’t mean there’s going to be any judges in them. You have to have police, and you have to have lawyers, and Afghanistan doesn’t have any of these things right now.” They told us to do it. We did it. And we built schools and health clinics and roads in the Panjshir Valley, which is where the Northern Alliance central headquarters were, and in the Shomali Plain.

Jim Bever was one of the senior people during all this. Eventually, he became the mission director, I think.

*Q: Yes, right.*

NATSIOS: He had a fistfight with Richard Holbrooke. Did you know that?

*Q: Who did?*

NATSIOS: Jim Bever.

*Q: Jim Bever?*

NATSIOS: Holbrook pushed him against the wall and started punching him.

*Q: [Laughter]*

NATSIOS: I asked him, I said, “I heard this story. This can’t be true.” He said, “Yeah, it is true. Holbrook had a terrible temper. If you said something he didn’t like, and you had to protect yourself.” I said, “You’ve got to be kidding me?” *[Laughter]* This is not when I was there, it was during the Obama administration. If someone tried to punch one of my guys, I would have resigned unless they fired him

*Q: Oh that’s right. That was later.*

*This is Carol Peasley, and it’s May 18, 2018. We are continuing the interview with Andrew Natsios. This is being done via Skype. Again, thank you very much, Andrew, for agreeing to be interviewed. Look forward to continuing our discussion.*

*We ended up last time talking about Afghanistan and a lot of the changes that took place after 9/11. I think all of this put AID into much more of a prism of foreign policy. I know that you led a number of different initiatives. There was the Foreign Aid in the National Interest report that was done in 2002. That was a really very well done report. I think a lot of people today would look at it and say this is still very apropos. This was followed by, and I don’t recall the order, but the white paper. There was also the effort with the State Department to do joint planning between AID and State in the strategic plan between the two. I’m wondering if you could talk a bit about just how all of these different pressures mounted, the discussions that took place within the administration about the role of foreign assistance with national security, the degree to which you were involved with the NSC on these questions and the State Department and others, and then some discussion of perhaps the specific documents, but just the flavor of that whole period?*

NATSIOS: Yes. First, what occurred to me when I arrived was that I saw an agency that was demoralized. There had been huge cuts to the foreign aid budget in the 1990’s, which was at around \$10 billion, I think, the year before I arrived as AID administrator in early 2001. The cuts that had been made, the shrinking of the infrastructure of the agency, and the closing of twenty missions around the world, I thought, had a devastating effect on not just the morale of staff, but on the capacity of the agency to get its work done. In many respects, what I did was to reconstruct systems that had existed for 30 or 40 years, but had been abolished in the 1990s. I don’t think people now realize how close AID came to being abolished. There was actually a move to merge AID into State, which would have been the end of our development function, I think.

I came on as a consultant on March 13<sup>th</sup>, 2001, and then I was confirmed May 1<sup>st</sup> and sworn in a few days later. There was a sense of crisis, and I remember a lot of career people saying, “If this doesn’t work, we’re in big trouble.” Now, what I had made a political decision to do before 9/11 was to begin to try to connect what we did to American national interest, broadly defined. In a big way, 9/11 actually helped the agency. Unlike during the great power rivalry of the Cold War, in which the Third World was an element of that rivalry, but merely peripheral to the center, which was Europe, after 9/11 the threat was from the developing world. There was no great power threat any longer, for the first time, really, since the 1930s. From the 1930s until the 1990s there was always some great power that was threatening Americans’ survival, and American vital national interests. By the 1990s, that had subsided, and I believe the reason AID was at risk was because no one saw any threats, and so they thought, “Why do we need a foreign aid budget?” And it’s not just in the United States; this happened all over Europe. The aid budget in Britain was cut, as it was throughout continental Europe. The same thing happened at the Pentagon and CIA; as George Tenet relates in his book on his time as CIA Director.

The question I had before me was, “What can we do to show the American people that what we do makes them safer, in a broad sense?” Not in a narrow sense of using aid as walking around money, as ambassadors sometimes wanted or the State Department would sometimes do, acting reactively instead of strategically. AID likes to be strategic. Much of what I did was to draw us into controversies—even ones that people thought hurt us. I believe it actually helped us because it connected us to what was happening to our troops on the ground.

I remember a famous slideshow. It’s still classified. I’m trying to get it declassified for this book I am writing, but I haven’t succeeded yet. It was a map of all the 7,000 AID projects in Iraq, and the casualty rates for our troops. They noticed that the higher the number of AID projects in an area, the lower the casualty rates. Now, people have said, “That’s not true.” Well, it’s indisputable that it was true in Iraq. I am not arguing it was true everywhere, but the military saw it that way. I saw the maps, I saw the slide presentations, and the correlation was very, very high. The argument was that all these young Iraqi men didn’t have work, so they joined the militias. Once we started the projects, and we drew in workers, and people started having optimism for the future, they were less likely to join the militias and start attacking American troops. At least that was the argument that was made, and it wasn’t just made by us. We weren’t the originators of that theory; it was the military forces who said it first.

*Q: Right.*

NATSIOS: And that was true in Afghanistan. It was true in Iraq. I think the military still thinks that way, and so does the State Department. That meant that if there were budget cuts to AID, we could make a national security argument. When the cuts to aid were proposed by the Trump administration, it was the military and the corporations and what I would call more conservative elements in American society that said, “It’s unacceptable for you to make these cuts.” It was a Republican Congress that restored the budget this

past year. Senator Lindsay Graham was a Reserve officer in the U.S. Army. He is a JAG (Judge Advocate General) officer. He said, “These cuts are dead on arrival.” So did Senator Mitch McConnell. When Senator Rand Paul proposed a 50 percent cut in the AID budget, the 150 Account, he got, I think, six or eight votes in the Senate. The overwhelming majority of Republicans, and obviously the Democrats, said, “Not acceptable.”

I think we succeeded in making a connection between the two—the security of the American people and the robustness of our AID program. That’s the broader context for all of this.

*Q: Right.*

NATSIOS: The national security strategy of the Bush administration in 2002 said, famously, “We are not so much threatened by powerful states as by failed and fragile states.” We mentioned that over and over again, as you know.

*Q: Yes.*

NATSIOS: Do you want me to talk about the implications of that in terms of the agency?

*Q: Yes, but I’m wondering. It was going on when I returned to Washington, so it would have been in the 2004 period that the joint State Department-AID, the joint strategic plan, was done. Do you know what prompted that idea of doing a joint strategic plan between State and AID?*

NATSIOS: Well, we’ve always had strategic plans, as you know.

*Q: Yes.*

NATSIOS: State didn’t have strategic plans.

*Q: Right.*

NATSIOS: The reason for that plan is a very simple one. Newt Gingrich wrote an op-ed piece—I don’t remember if it was for the *New York Times* or the *Washington Post*—which said that the State Department had no strategic plans at the embassy level, they were reactive to everything, and they were a dysfunctional and mismanaged department. This was when Colin Powell was Secretary. Armitage responded by making a public statement that Newt Gingrich was “off his meds again.” But, internally, they realized they had to change some things. One of them was creating a joint strategy. The second thing was the creation of this Office of CRS (Coordinator for Reconstruction and Stabilization) in State. Interestingly enough, one of the decisions Rex Tillerson made was to abolish that office, as I understand it. I don’t know if they have actually done that or not. Tillerson actually made a statement that stabilization henceforth would be handled by

AID, not by State, which I thought was interesting. I always thought that myself, but I didn't have control over these matters.

Before I came on board as AID administrator, before I was even nominated by the president, Colin Powell succeeded in getting control of the AID budget. So we could no longer submit our budget directly to OMB; it had to be submitted jointly between AID and State. I did not agree with that, and was angry when I arrived that it had happened. We were told not to call OMB at all. The first year we didn't, and a lot of bad things happened as a result of that. We eventually collapsed the system by simply letting State defend our budget. They couldn't answer the questions about what was in our budget, so we started dealing with OMB again and that continued even after the F office was created.

*Q: Did that start at the end of the Clinton administration or...?*

NATSIOS: I think the proposal was there to do it. I don't know whether Powell succeeded in getting it implemented. All I know is, I remember Barbara Turner telling me that we lost control of the budget. We could submit a budget, but it had to go to State. They could fool around with it, and then do whatever they wanted to in the general submission. There had been two congressional committees—one that dealt with the State Department, and one that dealt with us. But Armitage went to the Congress to get the two committees merged. Frank Wolf was chairman of our committee, and a big supporter of AID, but he couldn't stop the merger.

*Q: And that, then, created the 150 Account that combined it all?*

NATSIOS: That's correct.

*Q: Okay. Hmm. That's interesting. I had forgotten about that. So there was really pressure from the very beginning, and that had really started throughout the 1990s with the coordinator's office in the State Department for Eastern Europe and the former Soviet Union. So they were getting more and more involved in foreign assistance business. Ultimately, this ended up in the recommendations to create a dual-hatted administrator and to create the F (Foreign Assistance) Bureau. How did you see that evolving?*

NATSIOS: Well, I proposed some early ideas which lead to the F Office, Carol. But it didn't evolve as we in USAID had envisioned it. I was so tired of infighting with the State Department and with other federal departments, which was consuming too much of our time. There is a book called *Bureaucracy* by James Q. Wilson, who was my professor at Harvard when I was a graduate student there. It is one of the most famous books on how the federal bureaucracy works—nothing to do with AID or State specifically, but just how the federal system works from the bureaucratic standpoint. He says there are three critical factors to determine how powerful and strong a federal agency is. One is whether they have a sense of a consensus among the career staff of what the agreed upon tasks are of the agency or department, which we would call "mission". The second was

that the Department or Agency did not share its mission with other federal organizations: he called this relative bureaucratic autonomy. And third, that the Agency or department had effective operational programs to address the critical environment problems facing the Agency or department. Critical environmental problems in this context did not mean the planet's physical environment, it meant environment in which the Agency or department worked. In AID's case did we have a business model that could produce results in the poor countries in which we worked. Every day of my time as USAID Administrator I kept those three factors in mind managing the Agency, which is why I strongly opposed the "whole of government approach" to development, and reconstruction. It is simply a cover for bureaucratic infighting, inertia, paralysis, and ineffectiveness.

I asked Barbara Turner, and Linda Morse was also involved in this, even though she was in the E&E (Europe and Eurasia) Bureau, about this. I asked, "What are the tasks we perform?" They said, "Well, there 235 strategic objectives." Then they pointed out there were 275 tasks or objectives in the Foreign Assistance Act. I said, "Forget the Foreign Assistance Act. We cannot tell the Congress that we do 235 different things." It took a year and a half, but they came up with 39 programs. We later called them business lines. If you read them, 95 percent of what we did fell within these 39 program lines. I think it is up to 44 program lines now. Forty-four is manageable. The reason for that, the reason I asked, is because of James Q. Wilson's book.

*Q: To get more consensus on mission?*

NATSIOS: Exactly. And the career people decided. I did not impose anything. The second requirement for a highly functional federal agency is relative autonomy from other agencies and departments in the federal government doing the same thing you are doing. In other words, you shouldn't fight over turf all day long. This doesn't mean autonomy from the president. The president and the vice president have control, because they are elected officials and the president leads the Executive Branch. But we shouldn't have to fight over who runs human trafficking programs. DOD had an anti-trafficking program. So did the Labor Department. So did the State Department. They even had a coordinator, and so did we. Now, we had 90 percent of the money. They created this silly coordinating committee--Kent Hill was our representative on it--in which all of us had to agree to each other's grants before we could issue them. Well, that meant we had to work with the lowest common denominator. It was a stupid system. Anything anybody disagreed with could not be done.

*Q: Right.*

NATSIOS: And it was our money, basically. Why were we having the Defense Department judge our programs, which they knew absolutely nothing about? So the second point was that we needed to pull in the reins of all of these aid functions going out all over the federal government.

The third key to a well-functioning federal agency is existence of an effective, results-oriented mechanism by which the critical environmental challenges facing the agency or department can be addressed. For example, if you are dealing with a federal prison, the biggest problem is keeping order, mostly among young men—90 percent of them are men under the age of 40. It is not easy to do, but there are things you can do to create order. A well-run prison will have very little violence internally; a poorly run prison will have chaos. It's true also in our work. Getting results in failed states or fragile states in the middle of civil wars in countries with weak or nonexistent institutions with high levels of corruption is not easy. But I would argue AID has been very successful, over many years, at winnowing down those things which work and those things that do not work too well. We did have mechanisms to do that.

Everything I did was within the framework of those three lessons. How do we clarify mission, how do we increase our autonomy, and how do we strengthen the systems that allow us to address these critical environmental tasks? When I say environmental, I don't mean the natural environment. I mean the working environment.

*Q: Right.*

NATSIOS: I went to Condi Rice in March of 2005. She had been secretary of state for two months. I said, "Condi, I've spent much of the last few years, since I became AID administrator, fighting with the Defense Department, the NSC, HHS (Health and Human Services), the Labor Department, the State Department, the Agriculture Department over our autonomy, our mission." I went and spent an hour with her. For a sitting secretary of state to spend an uninterrupted hour with me was very unusual. I gave her a memo that Steve Brent and Barbara Turner had written. It was one or two pages, and it called for the creation of a 30-person office within State, headed by the AID administrator, who would have a second hat. This was Brian Atwood's idea. I borrowed it from him. A dual-hatted AID administrator, who would get control over all foreign aid federal spending on foreign assistance—not just in AID, at State and in other federal agencies as well—that was the proposal. What ultimately happened is State got control of AID's money, and that was it.

*Q: [Laughter]*

NATSIOS: But Condi, she said, "Andrew, I don't disagree with anything you've said." I told her Foreign Service was grossly understaffed, as was the civil service. I said, "We need to re-staff it, if you really want a highly effective agency." So she agreed to the proposal of a large increase in the Foreign Service. She said we needed to have another meeting with the senior executives of the State Department, career and political. Bob Zoellick was in the meeting, which lasted three hours! Condi attended the entire three hours.

Mike Gerson, the President's speech writer, and a strong supporter of our aid programs, was at the second meeting (the one that lasted three hours) and began drafting a Presidential address to announce these reforms which Gerson believed would have

cemented his legacy as one of the greatest foreign aid Presidents in the post-World War II period. Our reforms would tie all of his 23 aid initiatives together. He told me later the President decided not to give the speech because the reforms were not followed by legislation and were to be done by administrative action which the White House thought was too weak and not compelling. We eventually called the increasing staffing initiative (which continued under Randy Tobias, Henrietta, and then Raj Shah) we called the Development Readiness Initiative which was a play on the military term for force readiness.

*Q: This was after your initial one-hour meeting?*

NATSIOS: Yes, this was around June of 2004. I made the arguments, and I said, “We need a statutory change to enshrine all this in law, so we don’t have these competing centers of power where we have fights all the time. Bob Zoellick, who wanted to be secretary of state—he still wants to be secretary of state—said, “No, we’ll never get this through the Congress. We only have three years left in the administration. Let’s do this by administrative action through the Secretary.” This is before he became president of the World Bank. The best way to stop the reforms becoming permanent was to prevent us from going to Congress. In my view we could have gotten it through Congress. “Do I have legal authority to do all of this without going to Congress?” Our legal counsel said yes, this fell under the secretary’s authority under the Foreign Assistance Act.

I wanted to put the HIV/AIDS programs of HHS and CDC under USAID control, and the constituency groups in the United States went ballistic over it. Randy Tobias, who was leading PEPFAR, wrote an infamous memo, a nine-page diatribe, against AID and State. He annoyed both of AID and State simultaneously, which is the only time I’ve ever seen AID and State mutually outraged at the same time by the same statement. Basically, he wanted control over who was going to be the ambassador and the mission director in all countries that had HIV/AIDS programs. He actually proposed that in the memo. I said, “Well, that’s not going to happen, ever. You’re not going to even have any review of the names.” And, of course, State said the same thing. So we crushed the whole thing. He sent this memo to OMB saying, “You expect me to control this program. I have no control over the people running the program.” I said, “Well, thank god for that.”

It was supposed to be 30 people in total, that’s all. Randy Tobias, as you know, abolished the PPC Bureau (Policy, Plans, and Coordination) and moved over 110 people into this coordinating office that was never part of our plan for aid reform.

*Q: The initial plan was something relatively small and concise that would give the AID administrator more authority. Is that what the executive order spelled out?*

NATSIOS: There was no executive order.

*Q: So it was just done administratively?*



NATSIOS: It was done administratively by the Secretary of State, under her authority under the Foreign Assistance Act. There was a revolt in State over this, because it centralized all the control from the central bureaus and the regional bureaus over all aid funding into this new central office called the “F” Office (F for Foreign Aid).

Peter McPherson, Brian Atwood and I wrote an article in Foreign Affairs on aid reform called *Arrested Development* just before the November 2008 election which did influence the debate over aid reform which contained many of the proposed reforms I had made to Condi Rice while I was Administrator.

<https://www.foreignaffairs.com/articles/2008-11-01/arrested-development>

*Q: You never filled that role because you left AID. Did you leave because you didn't like this arrangement? Because you were just saying that Tobias abolished PPC. What I was trying to understand was, how much of that was his decision versus how much was predetermined by the decision made by the State Department?*

NATSIOS: No, no. Tobias was not in charge yet as I was still the USAID Administrator and Condi actually wanted me to implement this plan. But I was exhausted after nearly five years. The State Department strenuously opposed the proposal. The career people did not support what Condi Rice was doing because it meant centralizing all control over all the regional bureaus. Condi Rice, apparently, in one of the senior staff meetings after I left, threatened to fire any assistant secretary of state, political or career, who continued to stonewall her plan for reorganization. She gave a very famous speech at Georgetown, which was based on our policy papers, about the importance of foreign aid, the reorganization of our federal system, and moving the State Department staff—not AID staff—to the developing world, where the real threats were. I don't know if you remember.

*Q: I do remember that.*

NATSIOS: I sat in the front row at Georgetown. This was two months after I started teaching there. She acknowledged me at the beginning of the talk. This was one of her big initiatives.

*Q: So your departure from AID wasn't because you didn't like what was coming down the road?*

NATSIOS: What came down the road was not in the plan we presented to Condi Rice; Tobias rewrote the plan. There were more fights coming on from DOD, too. You know, I had five years of this, Carol. Condi Rice had asked me who would be a good successor as USAID Administrator and I gave her ten names. I believe had the President chosen any of the other names on the list, the reforms would have ended up very different.

*Q: Okay. I think I've always thought it was just that you didn't like what had been crafted.*

NATSIOS: The actual implementation plan had not been written yet. The biggest problem was the fact the plan was never memorialized in law.

*Q: Right. So, theoretically, if you had stayed, it might have evolved quite differently than it did?*

NATSIOS: I think it would have. I did not realize how much hostility Randy Tobias had toward AID. That was part of the problem. Condi and President Bush were very supportive of USAID. The President's concern was we were too much under the authority and control of the State Department, and its short-term diplomatic interests. That is the reason he wanted to announce statutory reforms for creating a more independent USAID with an Administrator with more stature and authority. That was the speech Mike Gerson was working on; as the reorganization unfolded under Tobias, Mike became disgusted and they dropped the notion of a Presidential speech.

*Q: That's very interesting. That shows again that reorganization plans can be done one way on paper, or even have one set of incentives for them, but how they get implemented and by whom makes a huge difference.*

NATSIOS: Absolutely correct. And I did say that. I actually kept a copy of my talk at my retirement reception at the State Department. In order for me to leave on good terms, so no one thought I was being forced out, Condi had a reception for me on the 7<sup>th</sup> floor in the Diplomatic Rooms. It was a very nice reception. I think 200 people came. Diplomats came from Africa and other areas of the world. NGO leaders and think tank intellectuals. Our own diplomats came. Condi was talking with Andy Card, who was there, and Fred Schieck. Then I mentioned the reorganization plan, and I said in my departing talk, "The devil is in the detail, or as the Hungarians like to say, 'The angel is in the details.'" I told them, "Depending on how this is implemented, it can be a disaster or a huge boon to our aid policy and our foreign policy." She listened when I said that. And I repeated that in an article I wrote for the *Foreign Service Journal* later in 2006 [http://www.afsa.org/sites/default/files/flipping\\_book/0606/index.html](http://www.afsa.org/sites/default/files/flipping_book/0606/index.html) - /20/ and then another in 2008 [http://www.afsa.org/sites/default/files/flipping\\_book/1208/index.html](http://www.afsa.org/sites/default/files/flipping_book/1208/index.html) - /36/, which you can get. It's on the record. A lot of this history is in that article.

*Q: Okay. I didn't realize Tobias had as much discretion as he did in the steps that he took after taking the dual-hatted position.*

NATSIOS: I don't think Condi ever had any intention to do what Tobias ultimately did. I think she had so many other problems she had to deal with she didn't get involved in the details. She left it to him. He wanted control in his hands. His focus was not on being AID administrator; it was on being deputy secretary of state. He took that in a literal sense, that he was the second-in-command at the State Department, which of course was not true. He was second-in-command of this one function. Congress had passed a law requiring two deputy secretaries of state. But the statute didn't give that position any control over the AID budget.

*Q: Although, subsequently, when Hillary Clinton put Jack Lew in that deputy secretary position, he then took over responsibility for the budget.*

NATSIOS: The career officers in State deeply resented the USAID Administrator controlling how they spent their aid funding. Jack Lew's appointment, who was not USAID Administrator, meant the AID administrator had not only lost control of the State budget, he lost control of the AID budget, too! I think that single decision did more damage to AID, because our intention was to get control of the AID/State spending to make it more strategic. It almost happened. I should have stayed on for another year.

*Q: Yes. Right.*

NATSIOS: I remember Cameron Hume telling me—he was one of our most senior diplomats, who was our chargé d'affaires in Khartoum—he said, “Andrew, Condi Rice is trying to make State into AID, and we all resent it. I have to go for training in how to programs under the Federal Acquisition Regulation. If I wanted to do that, I would have joined AID.” He had no interest whatsoever in running aid programs. He was a diplomat, and he resented having to go to these training sessions. Apparently, the rest of the career service resented it as well. They were fed up with it. There was as much a revolt at State as there was at AID.

*Q: Although, and I'm trying to remember if this occurred while you were still administrator, but was Liz Cheney in the Middle East bureau, and she created her Middle East initiative and was doing more and more programmatic work?*

NATSIOS: Well, it's interesting. When Lori Forman left AID, I asked Liz Cheney to be the new Asia Bureau, assistant administrator (before we recruited Wendi Chamberlain). We wouldn't have had the fights with Rumsfeld if Liz Cheney had said yes. She was a development professional: she worked at the World Bank during the Clinton administration, and she worked under Carol Adelman under Bush “41.” She is a good manager, and she's very smart (and now a member of Congress). She spent three weeks trying to decide, then turned the position down. She didn't tell me why, Carol, but I know why. She thought the Democrats would go after her during the nomination process because her father was the Vice President and had opponents in the Congress.

Jim Kunder told me this story. After I retired and Tobias took over as the USAID Administrator there was an NSC meeting and Jim Kunder attended. Tobias said “We want to work AID out of a job. We want to close these missions.” Vice President said, “That's a terrible idea. Why would you want to do that: our AID program is the most influential thing we do in the developing world.”? We shouldn't be closing any missions.” Tobias didn't know what to say. He was shocked. I suspect the reason the vice president said that is because Liz Cheney had explained to him the enormous power and influence of AID, or maybe he knew it himself. Why would you want to shut missions down, unless the country had become an advanced capitalist democracy such as ROK, Taiwan, Costa Rica, Panama, Chile or others? Transition them to serve a middle-income country, but do not shut them down.

*Q: Right. Because she was technically a DAS (deputy assistant secretary) in the State Department, right?*

NATSIOS: No, that was not until after I offered her this job.

*Q: Okay, I see. She was not the assistant secretary, right? She never had to go through confirmation?*

NATSIOS: No.

*Q: That's all very interesting. Was OMB involved at all in these discussions about the reorganization?*

NATSIOS: Well, if they were, you would have to ask Barbara Turner and Steve Brent. I know I presented Robin Cleveland with the *White Paper* [https://pdf.usaid.gov/pdf\\_docs/PDABZ322.pdf](https://pdf.usaid.gov/pdf_docs/PDABZ322.pdf), and she loved the white paper and the *Foreign Aid in the National Interest Report* [https://pdf.usaid.gov/pdf\\_docs/PDABW901.pdf](https://pdf.usaid.gov/pdf_docs/PDABW901.pdf). She said, "I don't know why we at OMB didn't produce these papers, but I want to compliment you. They are very visionary. They're forward looking. They're exactly what we need to do right now, and you guys are way out in front of everyone else." She said that, and she was no friend of AID. We also produced a manual that explained in laypersons language how all of the internal aid systems worked, called *The Primer* [https://pdf.usaid.gov/pdf\\_docs/PDACG100.pdf](https://pdf.usaid.gov/pdf_docs/PDACG100.pdf). A number of mission directors told me it was a best seller in developing countries whose policymakers did not understand how AID worked internally. *The Primer* explained these processes and functions.

*Q: Yes, right. As you say, bureaucracies are interesting, how they evolve and what happens to them. Sometimes you can think you are on top of the world and then, suddenly, you are not.*

NATSIOS: I'm never going to propose reforms again, if I ever hold office.

*Q: [Laughter] Right! Well, it's probably a very good management lesson. If you are going to propose reforms, you better be around to implement them!*

NATSIOS: Well, I wasn't planning to leave at the time I proposed them. When Condi began as Secretary of State, I said, "Maybe I should retire now." This was early 2005. She said, "No, please don't leave, Andrew. We work well together." She was a very big fan of AID. I presented my first budget to her, and I started making the arguments for AID. She said, "Stop! You don't have to convince me, Andrew." She said she had watched what AID did in Eastern Europe when she was in the NSC under Brent Scowcroft, and was impressed at how successful we were. She said, "I am your biggest advocate. You don't have to explain these things to me. I already know what you do, in detail." So I realized we did have a friend.

*Q: Since we are talking a lot about this, a key part of all of this that drove your initial interest in giving the administrator more control over the assistance, writ large, was PEPFAR. I'm wondering if we can go back and talk a bit more about the creation of PEPFAR? It happened very early in the Bush administration, and I've heard lots of different stories. I think I've actually read some articles in some health magazines about who were some of the driving forces behind it in the White House. I have read various times that Colin Powell was instrumental.*

NATSIOS: He was indeed.

*Q: And then there are a lot of stories about what happened in the early interagency meetings about all of this, and why it ended up being organized the way it was. Any thoughts you have on the very beginnings?*

NATSIOS: Well, I'll tell you the story. Gary Edson was in charge on the White House staff. He alienated almost every federal department while he was in that job, but he was very effective in getting what the president wanted done. The initial idea was for AID to run the program entirely. Then the Secretary of HHS (Health and Human Services), Tommy Thompson, actually told our people—he never told it to my face until later—that they intended to move the entire Global Health Bureau out of AID into HHS. Tommy Thompson was the person who organized the Republican governors to support George W. Bush in the primaries, who have always been more powerful than the Senate or the House in terms of the party apparatus, when George Bush ran for president in 2000. He chose George Bush as his candidate, and captured almost all the governors early on. That's how Bush got nominated so easily in 2000. The president owed a debt to Tommy Thompson, who then asked to be secretary of HHS. People forget that politics intervenes everywhere.

One of the things Thompson wanted was complete control over the PEPFAR program. Colin Powell did not want that to happen. He used the Former Soviet and Eastern European model of coordinating aid program out of the State Department to create the PEPFAR office and take it away from Tommy Thompson. Powell did tell me once that I was being paranoid, that Thompson was fine, and that there was no real intention of moving anything anywhere. Until one day, at the senior staff meeting, the assistant secretary for H (Legislative Affairs), said that Tommy Thompson got legislation through, working around H, which said CDC did not have to go through the State Department – through the embassies –to build new PEPFAR buildings in developing countries. They were building their own structures, and they did not have to go through the ambassador. Usually, any U.S. Government building, anywhere in any country, has to be approved by the US ambassador, under the chief of mission authority. Powell got extremely angry about this. He ordered it to be stopped. He then asked me to have lunch with Tommy Thompson on the 8<sup>th</sup> floor. The three of us had lunch, and we got into an argument over all of this stuff. At the end of the lunch, Powell said to me, “You are correct. I did not realize what was going on here.” We were at risk of losing the entire program.

*Q: Global Health, yes.*

NATSIOS: To HHS.

There was an announcement about the structure of PEPFAR, and I had not been consulted on it until the day of the announcement. Apparently, Gary Edson had contacted the Global Health Bureau, but they had not passed the information on to me. I attended a meeting the day of the announcement –I believe it was in the Roosevelt Room, but it was in the White House proper—attended by the president, secretary of state, secretary of HHS, vice president, and national security advisor. Several other Cabinet secretaries were there, and there were about 30 people in the room.

The president said to me, “Andrew, I presume you have reviewed this, and you helped negotiate this structure that we have created, and you’re fine with it.” I said, “Well, Mr. President, I found out about this about two hours ago.” The president said, “What did you say?” I said, “I found out about this two hours ago.” He said, “This meeting is adjourned.” He got up. He left the office furious. He called in Gary Edson, and he apparently yelled at him. He said, “You told me AID was called and that Andrew was involved.”

Gary Edson got into a lot of trouble, and he had it in for us after that, which is one reason we lost control of the MCC (Millennium Challenge Corporation). I don’t like to think that’s how decisions are made, but Jonathan Dworkin told me that the president said, in three separate meetings, that he wanted MCC run by AID. Gary objected to that, and eventually he got his way.

*Q: It’s interesting on PEPFAR. It got created with the coordinator in the State Department, which I am sure Colin Powell must have had to do a lot of hard negotiating on to get. Obviously, AID has played an important part of implementation over the years. Since you did mention that AID was not supportive of the initial ideas coming out of the White House, just for the record, was that in part because AID was more focused on prevention and the PEPFAR initiative was more focused on treatment?*

NATSIOS: I get into a lot of political trouble because I listen to the Global Health staff. I don’t blame them. I understand what public health doctrines say: to focus on preventative not curative care. You let epidemics burn themselves out, under public health doctrines. Alfred Sommer, the former dean of the finest school of public health in the world, Johns Hopkins Bloomberg School of Public Health, said as much in an op-ed piece in the *Washington Post* that advocated massive education programs on HIV/AIDS as a preventative measure in Sub-Saharan Africa and massive distribution of condoms. He said we need to stop epidemics from spreading, but we cannot save people with HIV/AIDS, because there is no cure. (And there is still no cure). We can invest money into research, but anti-retrovirals are too expensive. It’s too complex to administer them. He said all this in his editorial. I’m surprised he didn’t have his head handed to him for it.

Anne Peterson, who was head of the Bureau for Global Health, was called. AID refused to participate constructively in the interagency process that led to the PEPFAR. We thought anti-retrovirals were a bad idea, and didn't support it. CDC said the same thing to the White House and took the public health point of view.

Tony Fauci, from the National Institute of Health, and Gary Edson went to the president together and said, "No, we can stop this epidemic with anti-retrovirals. AID's Global Health Bureau and CDC are wrong on this." They overruled us. In retrospect, it has been a huge success in the sense that it stopped the pandemic from spreading, because apparently the viral presence in a person who has been on anti-retrovirals for a long time goes to very, very low levels, so they are much less likely to spread the disease. It did stop the spread of the disease. Do you know how much money has been spent on this program since it started? Sixty-five billion dollars!

*Q: Yes, right.*

NATSIOS: That is not a small amount of money.

Q: No.

NATSIOS: It's not as though we took the money away from something, because we increased the AID budget for non-health programs in Africa massively, as you know. It went from \$1.2 billion to \$8 billion by the time Bush left office. So there was a huge increase in spending in Africa in all areas, not just in HIV/AIDS—education, agriculture, trade, economic growth, and in many other areas.

*Q: One other really big thing that dominated, I know, much of your time and much of AID's time was Iraq. I'm wondering if we could talk a bit about it, maybe starting with the degree to which AID was involved in the planning for a post-Saddam Iraq? There are certainly all kinds of discussions that the State Department did have a planning unit, and people were making plans. Then after the war, Defense kind of took over and everything operated a bit differently. I'm wondering to what extent AID was involved in the early planning, or did we get brought in sort of after the war was over?*

NATSIOS: My impression was that the Defense Department had been planning the military operation from 2002, long before the intervention took place. We were not involved at that point. Donald Rumsfeld's view was that we should go in, take out Saddam, and leave, which was a terrible idea. You don't break the china, then leave. Beginning in September of 2002, Elliot Abrams at the NSC and Robin Cleveland at OMB co-chaired an NSC-OMB committee to begin the planning process for reconstruction. That started in September of 2002. I transferred 260 people from central bureaus to work on the Iraq planning.

I had lunch with Scooter Libby after I left office. This when Barack Obama was President. I asked him if he was aware of how many people AID had working on Iraq. He said, "No, Andrew, we didn't know anything about this. No one told us." There was a

famous document called the “horse blanket,” which was a piece of paper about 12 feet long and three or four feet wide. It included every single contract, grant, and cooperative agreement that was under consideration, all of the deadlines for the advertisements, the procurements, and the reviews, information on how fast awards would be made, the implementation plans, and the cost of each plan. We had meetings about the Iraq reconstruction twice a week in my office for a couple of hours for each meeting.

*Q: These were all sort of before the actual war started?*

NATSIOS: Five months before the war started. So the notion that there was no planning done is complete nonsense. Was it done two years in advance? No. Didn't we send the troops in January or February of 2003?

*Q: I think so. Yes.*

NATSIOS: So there were at least five months of planning by us that went into it, in enormous detail, at the executive level. I was deeply involved in this. Wendy Chamberlain was, at that time, the Assistant Administrator of the Asia/Near East Bureau that included Afghanistan and Iraq. I put Jim Kunder in charge of the entire Iraq effort. He was the head of the task force. He worked full-time on it.

*Q: What was his position, then?*

NATSIOS: He was a DAA for the Asia and Near East Bureau, with responsibility for Iraq. He also was responsible for Afghanistan at the same time! So he had a lot to do. I continued to meet with the task forces every week until I left office, so if there were any issues, I could deal with them at the senior level. If procurement wasn't cooperating, if one of the bureaus wouldn't release people for work, I could intervene and did. One of the reasons I put Jim Kunder in charge of both Iraq and Afghanistan reconstruction was so we could transfer lessons learned from Afghanistan to Iraq and we did quite successfully. If you read between the lines of Stewart Bowen's, the Special IG for Iraq Reconstruction, book *Hard Lessons*, he is complimentary of USAID's efforts and very critical of the Pentagon's management. USAID comes out relatively well in the book. The Pentagon was fully in charge of Iraq reconstruction from January of 2003 and learned the hard way how very difficult it is to do reconstruction during an insurgency, or even when there is no insurgency.

*Q: So we had this planning being done. I know that Lewis Lucke was brought out of retirement to come back into AID. I've read Lew's oral history. He was initially in, was it in Kuwait where they sent people while the fighting was going on, then they went into Iraq from Kuwait? So was Lew involved then in this planning process beforehand, or how did you figure out what you were going to need on the ground?*

NATSIOS: Speaking frankly, first, Lew and his wife were Republicans. That was good because I wanted the White House and DOD to not be shooting at us, saying, “You know you have someone hostile to us running this,” even though he was a career officer.



Second, Lew's wife's sister ran one of the Bush foundations. So their family was close to the Bush family. Third, he spoke a little bit of Arabic, though not much. He was the mission director in Jordan, and he had experience with large-scale infrastructure projects there, which is what this Iraq program was all about. That's why I chose him. We sent Earl Gast with him as the Deputy Mission Director, who turned out to be a very wise choice. In my view he was one of the most able senior officers in my time at the Agency and proved this after I left in other assignments as Mission Director in Afghanistan and Colombia. I did not know until after he retired he was a former naval officer, which explains in some ways why he had such strong leadership skills.

*Q: Was he involved with this planning in Washington then, too, or no?*

NATSIOS: Well, he may have been at the last stage of it.

*Q: Okay. We had a lot of planning. Once the fighting stopped, and people like Lew and others then began to go in, were we able to act on that planning or did the rules of the game change?*

NATSIOS: What changed in January, before the president sent the troops in, was Rumsfeld seized control of the program. Robin Cleveland and Elliot Abrams never forgave Rumsfeld for that. He took it away from them and moved it into the Pentagon, and when it turned bad and the whole thing went south, he denied he was responsible for it. The auditors told me they couldn't find any documents showing the transfer from the NSC and OMB to the Pentagon. All documents had been destroyed, or Rumsfeld claimed they never existed, which is complete nonsense. He didn't want to be historically responsible for this mess.

At the beginning he had a very low regard for AID because the guy advising him, Marty Hoffman, who was his best friend, his college roommate, and his lawyer, had a small agricultural NGO and tried to get an AID grant from us in the 1990s in Eastern Europe. His NGO did win the competition and he was still angry over it, so he didn't like AID at all. Rumsfeld was critical of AID because of this. I told the Pentagon (not Rumsfeld to his face) "You know, President Bush has one war in Iraq, and one in Afghanistan but he has 22 other foreign aid initiatives, most of which we are running through AID, around the world. I have other responsibilities. We also are deeply involved in trying to bring peace to Sudan" Rumsfeld said, "No, you only have two responsibilities—the two wars." So he had a little problem in not understanding the mission and duties at AID.

*Q: Right. Let me go back again to the planning process because I think there are some things that you all did that were very creative. Going back to your comment about not doing no-bid contracts, did you start the competitive process on some of these Iraq contracts even before the war took place so that, in fact, decisions could be made and the instruments would be in place?*

NATSIOS: We did what's called "limited competition." Which is specifically provided for in the Federal Acquisition Regulation. We looked for contractors, mainly big

engineering companies. I didn't know a company could have a security clearance, but it can. We went to the five biggest construction management firms, and we said, "Bid on this contract." Tim Beans chaired the committee with all career people. I did not appoint any of them nor did the political Assistant Administrators. In fact, I still to this day don't know who was on that procurement committee. They were appointed to that committee by other career people, so the notion there was some kind of collusion, that I orchestrated Bechtel getting the contract, is nonsense. Had I done that it would have been a criminal offense. It has outraged me, frankly, that these charges have been made repeatedly, and it's just completely untrue. The career people confirmed that because Representative Henry Waxman tried to do an investigation, saying, "There are all these irregularities." He abandoned it eventually because there were no irregularities. But we competitively bid it. In the final round of bidding Bechtel had the highest technical competence score with the lowest price, which is the best it can be for federal contracting. When we were under attack, a friend of mine from the Kennedy School, Professor Steve Kelman, who helped me rewrite the Bechtel contract for the Big Did, did an OPED piece for the Washington Post defending federal procurement practices just as we were being attacked. I did not call him or speak to him about writing the piece, he did it on his own. He is one of the leading authorities in the United States on the federal procurement system and knew the charges against AID were nonsense.

All of the contracts that we started planning in September 2002 were implemented, with one exception. We had planned a \$103 million agriculture program. USDA (U.S. Department of Agriculture) stopped us from implementing that because they wanted to sell the Iraqi, American wheat and rice, not help them grow their own crops. That was, in my view, on the edge of treason. It was outrageous to compromise the security of our troops in the field for the sake of domestic business interests. We had evidence that Muqtada al-Sadr was recruiting young men who were IDPs in the urban areas into his militia that was killing American troops. These young men came from rural areas as the agricultural sector had collapsed well before the war started, and thus over time young men seeing no opportunities left for the cities where they were homeless, hungry, migrants easily recruited into militia. The USAID agriculture program in Iraq was designed to change the migration dynamic as I had seen this same thing happen in other insecurity settings such as Somalia in 1991-1992 so we planned for this in the fall of 2003. We finally started implementing the program in June of 2004, after it had been suspended for a year and a half. In one year, we saw an increase of 25 percent in wheat production. The notion that we couldn't do it was nonsense. We did it. It was successful but too late to stop the migration.

The Agriculture Department stonewalled everything we did from the beginning. There was a scandal over the Wheat Council in Australia, because the agriculture ministry was being run by Australia and by the USDA. The Australians sent to run the Iraq Agriculture Ministry under the CPA with USDA ended up under investigation in Australia later on other charges.

*Q: Right.*

NATSIOS: By the way, I was not allowed into any of the planning meetings of the principals or deputies committee meetings of the NSC on Iraq. For Afghanistan we went to all of the meetings, either I went or Fred went from the beginning to the end. In Iraq, we were not in there for a year and a half, until Paul “Jerry” Bremer left. Until the State Department took control and John Negroponte was the first regular U.S. ambassador, I was not allowed in any of the NSC meetings, except for one. I will tell you about it in a minute.

*Q: Just to get the timeline straight, because you had talked about how OMB and NSC initially chaired the planning, and then it was taken over by DOD. Are you talking about the NSC meetings after the war began?*

NATSIOS: I mean the deputies committee meetings where the decisions were made on what to recommend to the President. The planning committee (a sort of task force) of OMB and NSC were more operational and less a policy making process.

*Q: Right, but that was after the war began, or even before the war began?*

NATSIOS: Even before.

*Q: Even before. So you guys were planning and putting instruments in place, but doing a little bit flying blind because you weren't involved in the broader process?*

NATSIOS: That's correct. We weren't flying blind as we were given specific tasks but we did not have direct input until June 2004 when we joined the NSC process.

*Q: And you did an infrastructure contract, you did the agriculture one that ultimately was suspended, and you did them, as I recall, there was a big one for public service capacity building or something, and education?*

NATSIOS: No, there were dozens of contracts. There was one creating a nurses' association. There was one for the schools. The most important one for me personally was the restoration of the marshes Saddam had destroyed trying to wipe out the Marsh Arabs who were as hostile to him as were the Kurds. Iraqi marshes are the most famous in the Middle East. We did a university linkages program with 11 or 12 Iraqi universities linked with the same number of European and American Universities. We had a \$200 million community development small projects program. There was also one on human rights through OTI.

*Q: That wasn't the agriculture contract for work in the marshes?*

NATSIOS: No, that was separate; DAI won the bid. We used environment money for the restoration of the Iraqi marshes because the CPA refused to give us money to do it, though some of the agriculture contract money was used to restore the date palm groves and fish farming.

*Q: Wasn't that the agriculture contract?*

NATSIOS: When they refused to fund the marsh restoration, we did it anyway, without Bremer's approval. He didn't even know we were doing it. We did it using our environmental earmark money, which is very appropriate. We sent a Foreign Service officer to Basra to run it. He had a PhD in environmental science and had been a university professor. He volunteered to go down in Basra, and when I asked him why he bid on the job, he said, "Because this is the greatest contribution any environmental scientist could make, to restore these marshes that were destroyed by Saddam. This is utopia for me, despite the war going on." This shows you the breadth of technical power we had within the agency and the dedication of the officers. It was a very successful program.

*Q: Now, just to go back. The war ends. Bremer and the Coalition Authority go in. There are various NSC meetings taking place, but you're not involved. I had heard rumors at one point, and I'm just curious whether it was true, because I think retrospectively, history cites one of the worst decisions the Coalition Provisional Authority (CPA) made was firing everyone who had been a Ba'athist from government and the military, and pushing them out. But I had heard that AID had raised that as an issue, as being a bad decision to make. I'm just curious whether that's true?*

NATSIOS: Let me tell you one more story. I went three or four times to Iraq, but the first time was in June of 2003, two months after the war ended. I think AID had been there two months. I brought CSPAN with me, and they spent all day, every day with us, filming what we did for the two weeks we were there. They edited it and played six hours of programming over four nights about the AID program in Iraq. It was spectacular. It wasn't entirely positive; it was realistic: one of our food warehouses was looted, and it showed the results of the looting. But people got a chance to see what we did for work! In total, CSPAN ran six hours of programs on USAID in Iraq, they received furious calls from people who opposed the war saying that these programs made the US war effort look positive. Brian Lamb said he would never do this sort of program again because of the hostility from left wing viewers.

*Q: Wow.*

NATSIOS: I came back and wrote a memo to Colin Powell, with 9 recommendations on what we needed to do to fix the mess that we found with reconstruction. One of those recommendations was to call back the Iraqi Army into a cantonment areas, take their weapons, and provide demobilization support so they could enter the civilian work force which is what USAID with the UN and other aid agencies have done all over the world for a decade and a half. I gave the memo to Colin Powell, but I also took it to Condi Rice, then the President's National Security advisor. It was supposed to be a 10-minute meeting with Condi, but it lasted an hour. Jonathan Dworkin told me he was given a memo with no one's name on it. He said, "It was clearly not written by State or DOD." I wrote it myself, and I didn't show it to anybody. I did not classify it, deliberately. Jonathan was told to make it into a decision memo. One of the decisions was to order all the troops

back from the Iraqi army, disarm them, and then demobilize them in the proper way, as we normally do it in the developing world. The way they did it in Iraq was inappropriate – they never confiscated anybody’s weapons.

The president approved every one of the 9 recommendations I made. At the end of my meeting with Condi, she said, “Visit Iraq often, and make more recommendations, the president wants these. I sent the memo over ahead of time, and he read it.” He was looking for solutions.

The memo went to the Pentagon. There was a blowup. DOD was furious that the president went over their heads, signed the memo without review by the NSC, and ordered them to implement. The AID people said, “No one can figure out who wrote this.” Barbara Turner came in one day and said: “You know, this is very strange. Have you ever seen this memo before?” I said, “Yeah, I wrote it.” They asked why I hadn’t let them see it, and I said, “Because I wanted plausible deniability for everyone in AID.”

There are a whole bunch of things the Pentagon claims credit for now. They didn’t come up with these recommendations –they’re in the memo! The Special Inspector General for Iraqi Reconstruction Stewart Bowen –, he was from Austin, Texas –asked me for a copy of the memo which he had heard about so he could put it in his lessons learned document. I didn’t give it to him because it would have been so embarrassing to the Pentagon. That was a mistake, because it would have made AID look good. The stuff that worked is the stuff we recommended. For example, I proposed setting up teams of local sheikhs who were being paid by the CPA to protect the electrical lines that were being ripped down by the insurgents and sold for scrap metal. The price of copper was going up massively. They did it, and it was very successful. It stopped the looting. The Pentagon didn’t come up with that idea. That was in my memo.

*Q: Yes. It must have been very frustrating and difficult times.*

NATSIOS: It was. The other thing that happened was in December of 2003. There was a second supplemental budget for \$19.5 billion, or somewhere thereabouts, to reconstruct Iraq. Robin Cleveland arranged for me to be in the meeting, even though I had not been in any other meetings about the budget. I had not been invited because they knew I was going to raise hell over the stupidity of spending the entire \$19 billion for construction projects. Steve Hadley was chairing the meeting, and apparently Robin orchestrated this with him. I said, “I don’t know who wrote this budget.” Steve said, “Didn’t you write this? AID has a unit on this.” Dayton Maxwell was chairing that unit. I said, “Nothing Dayton has written has been accepted. This document is a creation of the CPA.” A bunch of engineers from the Pentagon wrote it. It had no money for education, no money for health, no money for elections, no modern for modernizing the Iraq bureaucracy, which are very expensive –we needed \$300 million for elections –no money for community development, for capacity building, for reforming the university system, which was very Ba’athist. There were no books in the libraries. There was no Internet in any of the universities. Steve then asked the Pentagon guys to explain why none of these things were in the budget. Then Paul Wolfowitz agreed with us—against the Pentagon, in the

meeting! The head of reconstruction for the Pentagon a respected neo-con, Dov Zakheim—he wrote a whole book about the reconstruction—started yelling at Wolfowitz, who was supposed to be on the CPA’s “side” in this. They were yelling at each other, and Steve was smiling a little bit. He said, “What do you propose, Andrew?” I said, “I think we should take \$5 or \$6 billion of this money and put it aside for real reconstruction, not the infrastructure projects.”

*Q: Right.*

NATSIOS: Steve agreed with me, and announced that \$5-6 billion (I can’t remember which amount) would be set aside for institution building, capacity building, and social services. A few weeks later, I was going to Afghanistan through Pakistan, through Islamabad. I think Nancy Powell was the ambassador. I was in the shower in the residence before a Christmas party. One of the guys came in, a Pakistani servant, and he said, “Ambassador Bremer is on the phone. He wants to talk to you.” I said, “I’m in the shower.” He said, “He wants to talk to you immediately.” I said, “I’m in the shower. Tell him to wait!”

*Q: [Laughter]*

NATSIOS: I finished my shower, then got on the phone, and Bremer started yelling at me. “Someone destroyed my budget. This has put the reconstruction back a year. It’s putting our troops at risk.” I said, “Jerry, number one, I was the one that did it, and you know very well that I did it. Number two, you never asked us. You have no background in reconstruction whatsoever. We’re the experts in this area.” His budget was only going to fuel the insurgency. He said, “I can’t believe you did this. I’m in charge of reconstruction. I have a letter from the President of the United States.” I said, “Well, let me just tell you something. I’m in charge of AID, and I don’t report to you. I report to the Secretary of State and President of United States, and if you do something stupid, I’m going to tell them that.” He hung up on me. That was the last time I had a civilized discussion with Jerry Bremer.

*Q: Well, in retrospect, I think everyone probably wishes they had paid a little more attention to AID at the outset.*

NATSIOS: Yes. Yes. Then we sent Bob Gersony in. You know about this?

*Q: Well, no I don’t. Please tell us about that.*

NATSIOS: We sent Gersony in twice at Bill Garvelink’s suggestion and then at Jim Kunder’s, once to see why OFDA screwed up at the beginning of the insurgency. Rumsfeld wanted control of the DART team, and I refused to give it to him. Powell backed me up on this, and fought with Rumsfeld, but when the DART started refusing to meet with the US military, against orders Garvelink and I had given them, we lost Powell’s support and had to transfer control to the Pentagon. This meant little ultimately because OFDA played a minor role in the effort since none of the bad things happened

we were expecting. Without going into all the details, he did a report on the failures of OFDA, and we implemented a list of reforms in OFDA and personnel changes. Then Bill Garvelink said, “Why don’t we ask him to do a review of how we’re doing generally?” Jim Kunder agreed.

I called Bob Gersony, who is an old friend of mine, and I said, “Bob, career people are telling me, ‘This is one of the best programs you’ve ever run,’ and yet we’re having the crap beaten out of us. I want you to go in and find out.” He did about 265 interviews. The one with Chris Mulligan lasted for 17 hours! He came back with 1,000 pages of notes, and said, “Andrew, I have been critical of AID sometimes, but this is the best-run program I have ever seen. You have not screwed up. You had one \$20 million health contract working with nurses that you screwed up, but that’s it. The rest of the \$4 or 5 billion you spent was very well spent.” I don’t really remember how much was spent. Actually we ended up spending \$9 billion by the end of the Bush Administration. Most of the \$20 billion went to the Pentagon, except for the \$5 billion we pulled aside for programs. I said, “I want you to go brief the NSC.” Gersony briefed Armitage for an hour. He briefed me for four hours.

*Q: Yes, right, I know. Bob usually makes you commit a little more time than one hour, but I guess for the secretary of state, he’ll concede!*

NATSIOS: He went to Steve Hadley and Elliott Abrams. Bob had known Elliott; they were very close friends. He said, “Don’t you ever criticize Andrew or AID for this. They are doing a spectacular job. It’s the Pentagon that’s screwing this up beyond comprehension.” He went and briefed Wolfowitz, because he knew Wolfowitz, too. And he then briefed the CIA. He came back, and I said, “What was the effect?” He said, “Silence.” I think our reputation was protected because of Gersony. That was the best strategic thing that we did. I wished a book could be written with Bob’s notes. I had thought of doing it, but haven’t had the time.

*Q: Do you remember when that was that he did that?*

NATSIOS: I think it was late in 2004.

*Q: Okay, yeah. I think that’s right, because I think it was when I was there. I remember this vaguely. That’s also another important lesson learned, to have someone come in who can really take an objective look, although there are few people who have the skill Bob does to do that.*

NATSIOS: He was going to destroy all those notes. I don’t know if you know Robert Kaplan, the famous travel writer at the Atlantic Monthly? He is doing a biography of Bob Gersony. They’ve been old friends.

*Q: Oh, wonderful!*

NATSIOS: He is going to interview me about Bob Gersony. We asked Bob to do a survey of the people displaced during the fighting when the US removed Noriega during the Panamanian invasion in 1990, then in Colombia to analyze the alternate development program, in China at the border with North Korea, in the middle of the Maoist insurgency in Nepal, and twice in Iraq.

*Q: Yes, he went to Malawi, too, to look at the Mozambican refugees early on, and was one who documented that in fact the refugees were fleeing because of human rights abuses from RENAMO (Resistência Nacional Moçambicana). It had a huge political impact.*

NATSIOS: Not just human rights abuses. They were unbelievable atrocities.

*Q: He's had a real impact with the work that he has done.*

NATSIOS: Yes, he has.

*Q: That's wonderful to hear that he is doing that work. We need a new generation of Bob Gersonys.*

NATSIOS: I know. We don't have them.

*Q: You need to get your students thinking in those terms.*

NATSIOS: I should have him come out and talk here at the Bush School.

*Q: Iraq then began to become more normalized. Bremer left, and then there was a regular embassy. Did that happen before you left?*

NATSIOS: It was done in June of 2004. It was a year and a half before I left. John Negroponte approved the agriculture program within a month of taking over. The minister of agriculture was a veterinarian, a female Shia veterinarian. She went in with Earl Gast, or some of our agricultural senior staff, to talk to John Negroponte. She told him, "We need this AID agriculture program now." There has been a movement of young men leaving the rural areas because there was no employment. The agricultural economy had actually collapsed before the U.S. invasion. I said, "We don't want young men who are homeless, hungry, and unemployed in the major cities. They will join the militias." That's exactly what they did. I brought it up in an NSC meeting, after I was allowed in the meetings, and we had the embassy on the screen. Steve Hadley said, "Is what Andrew saying true?" The Jim Jeffries, Deputy Ambassador at the US embassy said, "Absolutely." They didn't listen to AID on this point until it was too late.

Then, the New York Times did a front-page story on the obsession of the Pentagon with infrastructure projects in Iraq. One thing Iraqis can do, which they don't need us for, is infrastructure. They have a lot of engineers. They are very capable of fixing it themselves. The New York Times said, "Did anybody object to this strategy?" Front



page! The article reported that I had repeatedly said this was a terrible idea in the middle of an insurgency. The last thing on earth you want is a giant bulls-eye on infrastructure projects, which are very easy to blow up. How do you blow up a capacity building project? How do you blow up a health project? Blow up all of the health clinics? It doesn't make any sense. So it's in the historical record that AID objected.

*Q: Right. That's good. I won't ask if you ever talked to the New York Times correspondents! [Laughter]*

NATSIOS: You know, I didn't; it was the NSC. It was Bob Houdek on the NSC staff who the Times interviewed. When the reporter asked, "Did anybody object?" He said, "Yes, AID objected. Andrew Natsios told us it was terrible idea, and we ignored him." So I did not do the interview!

*Q: [Laughter] Okay! Maybe just a final management word on Iraq, because I know one of the other things, you yourself invested a tremendous amount of time getting the right senior staff in place there. I think you were able to get really some outstanding individuals to go as directors and deputies and to senior positions—just if you have any thoughts about that?*

NATSIOS: One thing I learned in Afghanistan and Iraq, which I learned late and I wish I had learned earlier, is that the seniority system is not the system we should use to assign people in crises. I sent Alonzo Fulgham, Craig Buck, and Patrick Fine to Afghanistan, among others. I think Patrick was the second mission director. He had been deputy mission director in Senegal, and I sent him to Afghanistan to run the largest program since the Marshall Plan. Someone said, "What are you doing?" I mean, Alonzo had never even been a deputy mission director. But they both did very well. I think choosing younger officers sometimes, who are up and coming but who have energy and will take risks, was something I should have considered earlier. Not everybody can do it, but some of the younger officers can. We sent some very able senior officers to be the Mission Directors and Deputy Mission Directors in Iraq, which is why the program was so well run.

*Q: Right. How did you assess, because obviously these were complex interagency situations as well, to making an assessment about how you could assess their ability to work effectively with others and to really represent AID, and fight when you need to fight, compromise when you need to compromise, and not get rolled. Were there any ways you could assess that ability?*

NATSIOS: By watching career officers in Washington under sustained and severe stress. I can tell you a funny story about Alonzo. Alonzo would go to these meetings with me. He was the head of the task force for a while. Even when I yelled at him, he never sweated. He never would raise his voice or lose control. If I was wrong, he would say, "Mr. Administrator," very respectfully, "I think you are wrong on this, and this is what we need to do instead." I kept hounding him, just to see what he would do. This showed me that Alonzo would be willing to tell the ambassador when he was making the wrong

decision. If he is telling the AID administrator, I thought, he would tell the ambassador, “This is a stupid idea,” but in a nice way. He had a nice manner, as did Patrick. A lot of the career ambassadors respected our people.

In Afghanistan, Alonzo said, “You know, I’ve never run a mission this size.” Neither had anyone else. So he brought a retired AID mission director, who had been mission director in Indonesia, to be his advisor. The advisor told him, “Alonzo, you need to put these systems in place. The system is so massive, you can’t run it like it’s a little mission somewhere.” The officers knew when they couldn’t handle some elements, and they would bring other people in. I just assessed how they operated, what their manners were, and whether they could speak truth to authority. People who would immediately agree with anything I said? It was too dangerous to send those kinds of people to the field.

*Q: Right. Again, another important lesson, because we are interviewing a number of the folks who were in senior positions in Afghanistan and Iraq and trying to capture some of the lessons and recommendations they have as well.*

NATSIOS: That’s good. I actually think we should compile a multi-volume history of the AID program in both countries.

*Q: Yes.*

NATSIOS: Someone in Tom Staal’s office was collecting all the documents on Iraq from the beginning to the end. They have them in boxes, and someone has to give the order to do the study.

They are doing a study now, Carol, on Vietnam. They asked us to do it. They had \$80,000, which meant I could have hired a post-doctorate fellow for an entire year to do the study under my direction. But then they reduced it to \$25,000. We could have put a really interesting team together. We should be doing this, Carol!

*Q: Absolutely. I went up to Austin after our first interview and spent two days in the LBJ (Lyndon Baines Johnson) Library going through documents, including a lot on Vietnam. There were some fascinating things with Dave Bell going out, and discussions with the NSC about one economic stabilization program, but also the pacification program. It really did whet my appetite. It’s great fun to do research on these big-ticket items. Hopefully, folks will come up with the resources to do it.*

NATSIOS: Yes.

*Q: Let me see. Is there anything else you would like to talk about Iraq?*

NATSIOS: Well, there is something I think very important that we couldn’t get funded for a second iteration. It was between \$10 and \$20 million for higher education reform. It was a linkages program—12 Iraqi universities, 12 European universities, and 12 American universities, competitively bid. It covered several sectors. For example, on arid

agriculture, one of the universities in Arizona has expertise in that, so they won that contract. The CPA would not renew it because they said it was irrelevant to Iraq. I said, "You people are stupid to do this." I didn't say that, but I wanted to say it. Actually, now I realize I should have said that more often!

There was study done of Nazi Germany in the late 1940s, and it showed the great majority of older Germans, something like 80 percent, thought the best years of their life were under Hitler, after the war, after the destruction! How many Germans died in World War II? About eight million? Germany changed because of the new younger generation, not because the older generation was converted to democracy and human rights. Younger Germans grew up and realized what it was that had happened, and they changed Germany. It was not a conversion of the mass of people who lived through the war. The point is that higher education is critically important to changing a society. I said the most important thing we could do in the whole reconstruction program was to build a modern educational system at the university level. Iraq was an advanced society. This was not Afghanistan.

We couldn't hold the training meetings and scholar-to-scholar meetings in Iraq because it was too dangerous, so we did them all in Jordan. We would bring all the Iraqi university professors to meet in Jordan with Europeans and Americans. It was a very successful program. We stocked all the Iraqi university libraries, because few of them had academic books, a lot were Baathist Party propaganda. We put Internet cafes all over these universities. They had no Internet before. You know, I should have just moved money from some other account, like I did with that environmental money which we used for the marshes restoration, without asking for NSC or State's approval. But I didn't do it. If I were to do it again, I would have taken more risks and use our internal funding. I probably would have gotten into legal trouble over it, but as I think about it in retrospect, I probably should have gone further.

*Q: Let me move on to a couple of other really big-ticket items while you were administrator. In fact, sometimes it's a little overwhelming to think of all the controversies and all the things that were going on simultaneously.*

NATSIOS: That's every detail, every single day.

*Q: It's no wonder you were tired after five or six years! The three big ones that occur to me are South Sudan, Darfur, and Aceh, the tsunami that hit Indonesia. Maybe you could talk a little bit about those. We talked the other day. We did talk a little bit about Sudan, but I know you spent a huge amount of time on Sudan and Darfur while you were AID administrator. We'll come back later again to talk about some of your work as the Sudan envoy, but how were you thinking about the multiple crises in Sudan that were going on, including Darfur?*

NATSIOS: First, one of the reasons I was appointed, I may have mentioned it when I first talked with you, was because of my long connections with Sudan and because I knew John Garang, the Southern leader. The president wanted peace in Sudan in terms of the

north-south war. I spent a lot of time on it because it made a difference to him, and because it made a difference to me, frankly.

*Q: Yes, right.*

NATSIOS: All of this is basically woven into my book the Oxford University Press published, called *Sudan, South Sudan and Darfur: What Everyone Needs to Know*. So, for the historical record, a lot of this detail is in that book.

*Q: Okay. We can do a link to that. We'll mention that in the oral history.*

NATSIOS: I took a trip to Darfur in 1990 during the drought under Bush 41. My trips as AID administrator were not my first visits to Darfur; I went in 1990 when people were dying. I didn't know a war was going on at the time. I found out later that it was the first of three civil wars in Darfur. The first was among the Fur and the northern Rizeigat tribe, an Arab tribe. The Fur was an indigenous African tribe. That was the war in the late 1980s, early 1990s. Then there was a war between one of the Masalit tribe and the Rizeigat, and there was a fight between the Zeghawa tribe, the Fur and Masalit, and the Rizeigat. So there were three wars over a 20-year period.

What happened is that we were getting reports from the DART team we had sent out about atrocities being committed, villages being burned down. We realized something very bad was happening. Roger Winter was the head of OFDA and then the head of DCHA. He was the perfect person to have in that role because he knew more about Sudan than anybody in the United States, including any scholar, and had built personal connection to the leaders. He had been going there for 20 years. He was almost a cult figure in South Sudan. Everybody knew Roger. He came back with stories as to what was happening. I sent him in with Kate Almquist. They negotiated in Ndjamen, Chad, along with Ambassador Mike McKinley (who is now ambassador to Brazil I think), an access agreement to get humanitarian assistance into Darfur with the Sudanese Government.

We wanted to emphasize the importance of what was happening, to shed light on it publicly, so we had a meeting, I think it was in March of 2003. We had a meeting in my office with DCHA staff, OFDA staff, Food for Peace staff, Roger Winter, Brian d'Silva, another senior career officer with wide experience in Sudan, Kate Almquist, and a few other people. (In fact the three of them and Kenny Isaacs from Samaritan's Purse, who later became director of OFDA, were my inner circle on all Sudan policy and program issues. All were experts in Sudan, and knew the Southern and some Northern leaders well. They played a critical role in our successes in Sudan).

We made three decisions that were critically important. One, we decided to send the DART team in, a large-scale DART team. Two, we spent money to hire a European satellite for them to take pictures of the burned out villages, week-to-week pictures, so we could show the same village one week when it's fine and activity is going on and the next week when it's all burned down. We recorded 1,300 villages that had been burned down at that point (later the total reached 3800).

President Bush and Colin Powell instructed me to brief the Permanent Five members of the Security Council—Russia, China, France, Britain, and the United States. And I did. The Chinese and the Russians were dismissive. They said the photographs weren't very good. So then we asked the White House to redirect our spy satellites from the U.S. National Geospatial-Intelligence Agency (NGA) over Darfur to take even better pictures. The president approved it within a few days. It normally takes a couple years to do this. It happened literally in a few days. They were redirected, and they took pictures that were indisputable. I brought them back a second time, and that's what led to all the Security Council resolutions condemning what was happening.

The third action I took was commission OFDA to do what became a very famous study on what the casualty rates would be if we did not stop what was happening. They estimated 300,000 people would die. This was in 2003. A study was done in 2007 by the school of public health in the Catholic University of Belgium on the death rates. They reported about 302,000 deaths as the mean of all the estimates. We were almost exactly on the mark in terms of the death rates.

The Congressional Research Service did a study of our estimate and criticized it. They said, "Well, there are methodological weaknesses in the estimate you made." I said, "You guys are really so screwed up. You know why we did this? To get people to understand what was happening and how many people were going to die." In my book, I went after the Congressional Research Service for this ridiculous study they did, which missed the point of the whole thing by focusing on our methodology. Anyway, beyond the satellite photos, we had a lot of data from previous famines and two other wars that had taken place in the province.

That was when I was still AID administrator. The North-South Comprehensive Peace Agreement talks started because of the USAID-initiated ceasefire in the Nuba Mountains negotiated by Roger Winter. It was the first step in a process to create some goodwill on a small matter to see if we could move into the serious negotiations. So, you can say that the North-South peace agreement took place because Roger Winter negotiated with the foreign ministry. The State Department supported us, but we did the negotiating for the ceasefire. When Garang wouldn't agree to something, Senator John Danforth would call me and ask me to call Garang. Garang got very upset that I pressured him. He said, "You're supposed to be my friend." I said, "Yes, John, but you're stopping the peace deal. It's not acceptable."

The day of 9/11, Roger Winter was supposed to submit the papers on how this ceasefire would work to the Sudanese embassy in Washington. Because of the attacks, he couldn't deliver the papers because we weren't allowed out of the building. He had to postpone it for a week. Roger and I were both deeply involved from the beginning. I'm sad how this turned out. We can go into that, but that's a separate subject.

*Q: Okay. I was back in Washington, and was actually in Ukraine with Fred Schieck when we were observing the electoral results, when the earthquake in Aceh and the tsunami occurred on December 26. I think it was the day after Christmas in 2004.*

NATSIOS: It was.

*Q: It was such a mammoth disaster throughout Asia. I know that AID played a very important role, that you were convening a group, and Mark Ward and Bill Garvelink headed up your task force, but I wonder if you could talk a bit about that process?*

NATSIOS: I called a meeting of the senior staff, and I said, “We don’t want any fighting between OFDA, Food for Peace and the emergency sides of the regional bureaus. If you all fight with each other it will compromise the effort and make the Agency look bad. You guys have got to find a way to work together.” They used to fight all the time, as you may know. The emergency people want everything done immediately. They just try to save lives. The career people on the development side want to build institutions and do development. I said, “You need to work this out.” Of course, the tsunami also hit Bangladesh, the Indian coast, Sri Lanka, Thailand, and it eventually hit Somalia, killing people there. It went all across the Indian Ocean, which is difficult to imagine.

I remember, we dispatched a DART team within a few days. I was taking the week off for the holidays, which I felt was appropriate because the OFDA director was handling things and the DART teams were being deployed. Armitage called me. It was a day after, and told me I needed to come in immediately. He called me three times while I was in the car. He said, “The Secretary’s sitting here waiting.” I said, “Rich, I’m driving in from my house in Silver Spring (Maryland).

I got there. The Secretary was sitting down, and asked, “Well, what else can we do?” I said, “My suggestion, Mr. Secretary, is that you go to the signing ceremony in Nairobi for the Sudanese peace deal,” because the agreement had been reached. I said, “I really would like to go to the signing ceremony. And then you and I can go to Aceh in the presidential plane.” Jeb Bush came with us. The head of FEMA also came, but the guy didn’t say a peep the whole time. This was before Hurricane Katrina. When we got to Aceh, it looked like Hiroshima. One hundred and twenty-five thousand people had been killed within a half an hour because of the wall of water coming in. The mission director was Bill Frei, he did a terrific job mobilizing the Mission.

Herbie Smith, who is the current mission director in Afghanistan but was a Food for Peace officer at the time of this crisis in Indonesia, had 50,000 stickers of our new logo printed. Big letters of “USAID: From the American People,” with the logo. He put them on everything, which made USAID’s role very visible. .

Barbara Turner tells this wonderful story. There was a front-page photograph in the *Washington Post* of an AID box of pharmaceuticals with the sticker. There is a DOD helicopter behind it. Barbara’s young nephew, who was nine years old at the time, said, “I gave my allowance to help the people in Aceh, Aunt Barbara, but I want to go for a

ride on the USAID helicopter!” Barbara said, “We don’t have any helicopters.” He said, “I saw it in the newspaper.” Barbara said, “What are you talking about?” She looked at the picture and she realized he had seen the box, and he had transferred in his own mind the logo onto the helicopter, even though it was not on the helicopter.

I mean, how much money would it have cost to advertise AID’s good work accomplished than one photograph like that? It was so powerful.

*Q: Right.*

NATSIOS: The head of UN OCHA (Office for the Coordination of Humanitarian Assistance) was anti-American. He was a Norwegian and former head of the Norwegian Red Cross. He is a nice enough guy, but he is very hostile to the United States, historically. He said that all donors, particularly the United States, were being cheap in their response. The United States made an initial \$5 million donation, but I said, “We’re not going to commit any more until after the initial assessment.” We had a fast assessment process; it only takes three days. His criticism went viral around the world.

The State Department said, “We’re putting you on with the media all day long.” I’ll never forget it. They said, “You are now going to be the point person to reverse this thing.” They had me for 10 hours, Carol, doing interviews every 15 minutes with media all over the world. Latin American, Africa, Asia, Europe, and the United States. I held press conferences all over the world that one day. It was a massive amount of media coverage that the State Department orchestrated, embassy by embassy, around the world.

Powell and I met Kofi Annan in Jakarta, because there was a pledging conference there that we stayed for. I remember a private meeting scheduled with the heads of UN agencies—UNICEF, WFP, UNDP and UNOCHA—with Kofi Annan. Colin Powell said, “You know, I don’t want AID running this whole thing. When is the United Nations going to arrive so they can take this operation over? We are running the whole thing now. I just went out there. There are no UN personnel to be found. It’s all entirely USAID.”

The ambassador to Indonesia at the time was a good ambassador. I can’t remember his name now; he later became Under-Secretary-General of Political Affairs at the UN. He said, “Andrew, you don’t know the positive effect the US response to the Tsunami has had on our diplomatic relationship with Indonesia.” The United States had a 28 percent approval rating prior to the tsunami. Bin Laden had a 58 percent approval rating; Indonesia is one of the largest -Muslim countries in the world. Two months after the disaster, five Indonesian newspapers did surveys, and found the US approval rating had risen to 63 percent, while Bin Laden’s approval rating collapsed to 25 percent. As the newspapers were saying, “Where is our friend, Bin Laden? The United States, who we really don’t like, they’re here helping us. Bin Laden doesn’t care about us.” We did damage to Bin Laden’s reputation in the country because of the favorable public diplomacy the US effort had. Some people said, “Well, you did this just to get the good publicity.” I said, “Well, that’s not true. We didn’t know this was going to happen.” But it was a lesson.

*Q: It also just showed how quickly the U.S. is able to mobilize in these circumstances.*

NATSIOS: Yes, it is, with the U.S. military. AID has always had a very productive relationship with the military in emergencies. They are able to recognize that AID has more expertise in disaster response, and they help us. They have done it very successfully in other places.

*Q: One other interesting part of Aceh was when George H.W. Bush and Bill Clinton joined together. The president had asked them to do a private fundraising exercise. I'm wondering the degree to which you had any involvement with them and whether that was an interesting dimension to this?*

NATSIOS: The two of them came to visit us in my office and the Point Four conference room because we assembled the AID staff that had worked on this and did two things. First, we had a big event downstairs in the Reagan building with about 150 AID staff. There were about 22 TV cameras, I remember, in the back. The president came and spoke. Powell was with us. This was in mid-January of 2005. Bill Clinton did it separately on a different day. And H.W. came, "41." They came to my office to take pictures. Bill Clinton said, "You know, my two heroes are Winston Churchill and Theodore Roosevelt, and you have a picture of Roosevelt and an ink portrait of Churchill." He went over to look at them. He said, "Tell me why you like them so much." I explained that.

There was a young woman who was 23 years old and had just graduated from Georgetown. She had joined AID, and she was in a convoy in Darfur on the DART team. A sharpshooter from one of the militias shot her right through the face. She lost her eye, and she almost bled to death. We took a med-evac (medical evacuation) to get her out. They stopped the bleeding. They gave her a moveable glass eye that looks exactly like her other eye. It moves with her other eye because of the muscle. You cannot tell she lost her eye. That was her first day back at work, the day Bush and Clinton came. They both went up to her and hugged her in the meeting. It was very emotional. Half the staff was crying when they went up to hug her. I think it had a good morale effect on the career staff. We asked Mark Ward to accompany the two former Presidents to Indonesia to view the devastation and aid programs.

*Q: Do you think that kind of effort of mobilizing private resources to complement what AID and the government were doing on the ground is a useful model?*

NATSIOS: Absolutely. George P. Bush, the General Land Commissioner for Texas, was Jeb Bush's son and was given the task by Governor Abbott of leading the temporary housing program in the aftermath of Hurricane Harvey. He asked me to do a report on the reconstruction effort after Harvey with reform recommendations. When I was doing interviews in Houston on Hurricane Harvey for George P. Bush, I learned that Harris County, which includes Houston, one of the largest counties in the country with four and a half million people, set up a similar fund using the same model. They actually said,



“We used the Aceh fundraising model that Bush and Clinton created. We raised \$122 million in six weeks, with no advertising. We didn’t ask for money, we just reported and thousands of people gave money in hurricane relief, with no restrictions.” When Bush’s report came out in late August 2018, it included a recommendation to replicate this public private response to disasters in future emergencies. But it came from Hurricane Harvey.

*Q: That’s interesting and nice to see. AID at the center of new model once again!*

NATSIOS: Yep.

*Q: Let’s see, we’ve covered most of the big-ticket items, high-profile things, that took place during your tenure as AID administrator, but obviously you were busy with lots of other things. We had spoken earlier about the number of initiatives and ideas, things that you brought to AID in a management sense to help strengthen the agency or improve our ability to work. I’m wondering if you would like to talk a little bit about that? Some things we have talked a little bit about, but this would be more from an internal and a management perspective, to talk about some of those things that you’re particularly proud of that you were able to lead while you were the administrator.*

NATSIOS: If you read the testimony I gave at my confirmation hearing, I said I wanted to work, among other things, on building or modernizing the business systems of the agency. I had a deep interest in that during previous jobs in other institutions. AID administrators are not typically chosen because they’re interested in management systems in the agency. As a result, these systems tend to get subordinated to a lesser degree of importance. I met with the people installing the new accounting system in the M (Management) Bureau. You know, the first new accounting system had collapsed in 1998. It cost \$100 million and it didn’t work. It was very embarrassing to the agency and particularly to the person whose name I will not mention who was in charge of that, who ignored the advice of the career staff who said, “Don’t do this.” And he did it anyway.

I met with the IG and then the M Bureaus senior staff once a month for the entire time the system was being implemented. I asked the IG to set up a little unit to monitor exactly how this was being implemented, so we didn’t have trouble. And Everett Moseley did an excellent job in helping us in a very cooperative way. He came up with a checklist of things that needed to be done, some of which they were not doing in the M Bureau. I think he played a very important role.

The second thing is, all this use of paper to do procurements is nutty in an information age. It didn’t feed directly into the accounting system, so there was disparity sometimes. When we’d go to Congress, they would say, “Well, can you tell us how much money you spent in this area or that area, and I couldn’t tell them because the systems weren’t consistent with each other.

We had not had a clean audit in 20 years. Now, few federal agencies or departments, including the Pentagon, had had a clean audit, but that didn’t make any difference to me. I want something I’m running to have one. I said, “This is a priority. I want an audit that

says everything is as it's supposed to be." I had a letter from the IG that went to the Hill that identified nine serious vulnerabilities of the AID management system that had not been corrected. The agency had refused to correct them, or was not paying attention to them. I said, "I want to meet until these are all resolved. "Colleen Allen spent all her time getting that done. Within two years, we had no management findings in the IG's letter. We had no vulnerabilities. We had our first clean audit, and every year after that we have had a clean audit.

I did say the \$100 million or \$120 million dollars it was going to cost was too high and unacceptable. The M senior staff said "Okay, Andrew, we'll do this thing cheaper, for \$60 million." When it was finally implemented, it did cost \$120 million. It didn't make any difference what I had said. It still cost \$120 million. But it worked!

*Q: Yes, right!*

NATSIOS: Now the automated procurement system was not fully implemented until the second Obama term. They kept two people on: Tim Zimmer on the malaria initiative, and Doug Allen, who as in charge of the new electronic procurement system. He was kept on to make sure the new procurement system was installed. It was, and it works. Now we can give almost instantaneous reports to anyone who wants them.

We started work on a management information system; so if someone asked, "How much are you spending on democracy in Africa?" we could tell them within a day or two. Condi Rice had once asked the DRL Office in State and me, "How much were you spending, worldwide and by region, last year on democracy?" It took us three months to figure that out, which was embarrassing. The State Department could never tell her. She said, "I've asked, and they have no records." They spent the money, but they had no records of how they spent the money.

Anyway, I wrote, as I left office, a 20-page, single-spaced memo to Tobias listing all of the things that were either finished or needed to be finished. If you'll look at what he did, and I still have the memo, almost all the stuff he tried to do in terms of business systems are in that memo. One of the reasons behind the white paper was to create a new budgeting system that was consistent with our strategy. That was the purpose of the white paper; it wasn't just a nice policy document. The budgeting system is still used today. I actually think we retooled the agency to deal with the post-9/11 world in a way that has withstood the test of time, because there have been six administrators since I was there, and the systems are all still in place. I am proud of that.

The second thing we did was put pressure internally on the agency. The procurement office was extremely upset when I criticized them in my confirmation hearing. They said, "You don't understand. People like what we do. We are here to make sure people aren't making mistakes." I said, "Well, my experience is different." So we did the survey. We asked all 8,000 career people—all the FSNs (Foreign Service Nationals), all the PSCs, all the civil servants, all the Foreign Service officers—what they thought of the personnel system, the administrative management system, administrative services, the IT

(information technology) systems, and the procurement systems; and then the regional bureaus front offices. The IT systems got a +63 on the scale. The procurement office got a -50, which is the lowest score you can possibly get. This was an anonymous survey.

The initial survey was answered by 25 or 30 percent of the agency. The fifth year we ran the survey, 60 percent of the agency answered. OMB said, “Typically, when we do these surveys, there is lower participation each year. How did you increase it?” I said, “Because we had a team of career people who went through all of the recommendations.” Respondents would write recommendations at the bottom of their survey. I told the staff, “Other than requesting a promotion and pay raise—we’re not going to do that—if you think something is screwed up and you have a proposal for fixing it, put it in the survey.” There was a good faith effort to fix small things because if you looked at the management literature, you’d find that private sector profitability improves not through massive changes, but through a large number of small changes. That’s what we did.

It’s reflected in the rating the career people gave the agency when I started versus when I left office. The numbers are very interesting. When I started, in the last Office of Personnel Management survey of the career staff of every federal agency, we were ranked 28<sup>th</sup> out of 29 federal agencies and departments. When I left, in the last survey that was done, we moved from 28<sup>th</sup> to tie for 17<sup>th</sup> place, out of 34 agencies. Bush actually created five new federal agencies—Homeland Security, the MCC, and I can’t remember all the rest of them. So we went from the second to bottom to the mid-level. OPM called up Colleen Allen and said, “No federal agency has ever moved up this rapidly in these surveys. Could you please tell us what you did, because we would like to explain to other agencies that it’s possible to change their trajectory. And she went through it. We put the results of the survey on the website, including comments from 50 people the first year who demanded my resignation because they felt I was ruining the agency. Colleen had discouraged me from making those comments public. I said, “Put it on the website. If that’s what they think, let them say it.”

The second year, 20 people said it. The third year, no one said it. I think it mainly dropped because those 50 people were tired of being so angry at me. I don’t know. In any case, the survey also showed the morale of the agency rising. “Do you have good morale?” (or something along those lines) was a question on the survey. We were ranked well above the State Department and other federal agencies we were competing with on several indicators. I’m very proud of that, because it’s not me saying, “We did this successfully.” It’s the career people saying it on a large scale, anonymously, in a survey that was the same survey conducted across the federal government.

We also did the branding campaign, which started with an amusing story. I was in Paraguay. I was with the U.S. ambassador and Adolfo Franco, the AA for the Latin America Bureau. I can’t remember the name of the mission director at that time. We were visiting a rural development project run by Chemonics. There was a giant banner that read, “Chemonics.” No USAID, no U.S. embassy, no American flag. The guy from Chemonics talked about all the wonderful stuff Chemonics was doing. I didn’t say anything, but I was absolutely furious. We went back, and I asked, “Is this going on all

over the world?” They said, “Yes, it is, Andrew. The NGOs, universities, and development contractors take credit. They act as though they raised the money and they designed the project.

That’s what started the branding campaign and the creation of the Development Communication Officer role, DCOs. They were almost all FSNs who were former journalists, and they were trained to publicize what AID was doing. Jim Bever told me that in Egypt, in West Bank/Gaza, and in Jordan, we put out very inexpensive public service announcements, on Al Jazeera of all places, about what we were doing in the countries. We had a seven percent approval rating in Saudi Arabia before the ads, and we did a simple media campaign of putting up billboards showing pictures of the health, education, and clean water projects in the country with the USAID: From the American People logo. We didn’t exaggerate anything; we just showed the pictures. Three months later, the polls showed a 33 percent approval rating in Saudi Arabia. The State Department told me, “You had nothing to do with the improvement.” I said, “Really? What is it you guys did in public diplomacy that changed these numbers?” There was nothing. The only reason those numbers changed is because of the AID advertising. The AID public diplomacy approach is pointed out in the Djerejian commission report on public diplomacy.

What’s even more interesting with the branding campaign is that DFID criticized us. They said, “You’re taking credit for all this stuff. It’s very inappropriate. It violates the ownership principle.” That’s true, but we did a survey, and we found out that as long as we put the flag of the country next to the AID logo, then the local communities have no problem with it. It’s when we just put the AID logo alone that there was a problem. In the rules on using the logo, it says that when you use the AID logo, you have to also use the flag of the host country with a statement saying, “This was a cooperative program between two governments.” The British publicly criticized us. I don’t know if you have seen the new British logo?

*Q: They now use it!*

NATSIOS: UKAID: From the British people and with the British flag on top.

*Q: Right. They don’t even use the DFID name anymore.*

NATSIOS: Right. Many AID officers said we should sue DFID for copyright infringement. I said, “It’s the highest form of compliment, when you have to eat your own words.”

*Q: Yes, right.*

NATSIOS: I was expecting resistance by career officers to the branding campaign. David Eckerson was mission director in Uganda, and he was head of personnel. At the Thursday morning weekly staff meeting, he said, “Andrew, we’re all sick of everyone else taking

credit for what we do. We are going to implement this with a rigor you did not intend.” And that’s exactly what happened.

275 NGO CFOs (Chief Financial Officers), not the CEOs (Chief Executive Officers), wrote a letter to me threatening a lawsuit. I brought it to Powell. I said, “Are you going to support me in this?” He said, “Andrew, the NGOs went to the Hill already, and even the Democrats said, ‘You actually think we’re going to oppose the American people, whose taxpayer money in being spent on these projects, getting credit? You can’t be serious. We’re not going to even call AID about this.’” Powell told me, “They’ll never sue you. You want a lawsuit against the U.S. government for giving credit to the American people?” It was fascinating to me how, politically, we had the upper hand.

Now, does it violate the ownership principle? Yeah, a little bit, it does. But as long as you put the flag of the country there and show cooperation, it works. That’s another thing we did that I think helped. It was part of this larger effort to take what AID does and show that it has an effect on the way America is perceived abroad, in a constructive way. We had to suspend use of the logo in Iraq because Muqtada al-Sadr, very anti-American militia leader had our signs ripped down with the AID logos and put his logo up on 3,800 schools in greater Baghdad that we had reconstructed. I gave orders to rip his signs down and put our logo back up again, because we had done the work, not him. He then sent a message that if we did it, he was going rip our signs down a second time, and if we tried to put them up again, he was going to start shooting our workers. I said, “That’s it. We’re not going to lose any people over this.” But there are other ways to do it, through the radio and all that. You don’t have to have a sign on every school.

It does mean people in State, in the Public Diplomacy office, feel a little threatened, but that’s life! You can’t make everybody happy. It’s required in the Foreign Assistance Act. We just weren’t doing it. So when NGOs said, “This is illegal,” I said, “Here is the law. Tell me how this is illegal.” Anyway, that was another thing we did internally.

One of the most successful things we did is institutionalize public-private alliances within the agency in what’s called the Global Development Alliance. Well, actually Congress did object to it initially. They objected strenuously because the way it was designed meant the Congressional oversight committees would not control the private money. Charlie Flickner initially opposed it, and as did Tim Rieser. But later they got on board.

What we did was hold a press conference with Green Mountain Coffee Company from Vermont, which was partnering through a GDA with us in a coffee alliance in Rwanda. We invited Senator Patrick Leahy go to the press conference with me to make the announcement. It was a big success. Senator Leahy said, “This is a very good idea. It has my support, and there will be no more opposition from the Senate on the Democratic side.” We did the same thing with the Republican side. It’s now become institutionalized. The last time I checked, which was five or six years ago, it was up to \$18 billion, and only 25 percent of that money is AID money. Seventy-five percent is private money.

I wrote an article for the *Stanford Social Innovation Review* in 2009, which is a journal of the Stanford Business School, on the alliance system and how successful and innovative it was. You can get a copy of that. It's somewhat critical. It shares both weaknesses and strengths. There was a lot of competition among partners sometimes. They weren't completely transparent. Some businesses were suspicious of us because we were a federal agency and if they were not complying with certain federal laws on the regulatory side, nothing to do with AID, I think they were worried we were going to report them. It's not as simple as it looks. But overall, it has been very successful.

*Q: Right.*

NATSIOS: We also had the fragile state strategy. We created the DCHA Bureau, which is now being broken up by Mark Green's reorganization, apparently. The associate administrator's job is going to be over three bureaus that are composed of the old offices of DCHA. The Democracy, Conflict and Humanitarian Assistance Bureau was designed to deal with fragile and failed states. The DART teams were expanded dramatically in terms of their mission. I don't think we were very successful over the long term in connecting democracy and governance with state failure, in terms of the DART teams, but that's what the idea was.

We also created the Office of Military Affairs that was subsequently renamed the Office of Civilian-Military Cooperation. The Europeans criticized this. During my final week in office as administrator, the DCM (deputy chief of mission) of the British embassy had a lunch for me with European ambassadors. I remember a Swedish DCM getting up and saying, "You know, you're accused of militarizing AID because you cooperate with the military, and this new office is an egregious violation of the humanitarian space principle," and on and on and on. I said, "Are you hostile to the military?" She said, "Actually, I am a colonel in the Swedish military, so I'm sympathetic to what you just did. I'm just telling you what the NGOs said." Well, if you go back to Europe now, all of the aid agencies have created offices of military affairs. So they followed suit.

At one point, when Nancy Lindborg was at DCHA as the assistant administrator under Obama, she told me that there are 20 colonels from the Pentagon, active duty colonels, assigned to our staff at the Office of Military Affairs. At the same time, we had 20 senior officers from AID assigned to that office. The office was doing some very important things in terms of joint planning, so there was complete transparency in what we were doing in each of the regional bureaus. We put staff into all regional combatant commands to work with them, so they would know what we were doing and we would know what they were doing. We didn't only work on disaster planning, but also on development.

*Q: Going back to what we were talking about on Iraq earlier. If an Iraq were being done today, would it be done very differently because there is much better collaboration between the defense thinkers and the development thinkers?*

NATSIOS: Yes, exactly. I actually set that office up the year before I retired. The reason I didn't do it earlier was that there was so much opposition from the State Department.

The second time we did it, I didn't ask State. I signed a memo, and we implemented it without telling them. It was too late when they found out. Then I told Condi Rice, and she said, "I think it's a wonderful idea, Andrew. You will have no trouble from me."

We also created the Office of Conflict Mitigation and Management to institutionalize AID's commitment to integrate into development initiatives, conflict measurements, and conflict interventions. I asked someone at the World Bank, "Which aid agency was doing the most creative and innovative stuff in conflict?" They said, "AID is way ahead of everyone else, including us, on this." I give a lot of credit to the missions, who were doing much of this work, but they were a result of the expertise in the Office of Conflict Mitigation and Management.

Those offices still exist. The DCHA Bureau was reorganized six administrators ago, but they're not abolishing any of those offices. Mark Green is not getting rid of any of those offices. He's going to merge Food for Peace with OFDA, as I understand it, which I think is a good idea.

*Q: Yes, right.*

NATSIOS: What else? We created the Executive Training Program and the Staff Training Program that had been abolished, not because my predecessor didn't support them, but because Congress wouldn't appropriate the money. We got money put in the budget for that. I have to give Representative Jim Kolbe credit because he did support that initiative.

Then, we issued the first long cable—it was done by PPC, Barbara Turner handled that—to tell the missions they needed to start requiring rigorous outside evaluations of all of our programs, because you can't be a serious development agency and not have evaluations.

*Q: Yes, right.*

NATSIOS: What else do I have here? I think that's it. The handicapped initiative. I'll tell you. It is a good story.

Eunice Kennedy Shriver came in--she was in her 80s at the time, or late 70s—very angry because AID was not supporting a curriculum the Kennedy Foundation had developed for schools in Central America to mainstream children who were mentally handicapped with Down's syndrome and other serious developmental issues. There were just a few missions in Central America. I called the mission director in Guatemala, and said, "Tell me why this is a bad idea." He said, "It's not a bad idea. It's a good idea." I said, "Then why is the Education Office opposing it?" The director of the Education Office, without mentioning names, was strenuously opposed to this. The mission director said, "Well, you know, it's a powerful senator's sister that's pushing this." Janet Ballantyne was in the meeting, and to her credit, she said, "Mrs. Shriver, we will be doing this." I said, "Janet, you find the money for it." It was going to cost around \$300,000. I said, "We're opposing

a promising initiative for handicapped children, and all they want is \$300,000? Are you crazy?”

I called up a year later to the Honduras mission, the Guatemala mission, and, I think, the Nicaragua mission. We were just integrating the curriculum into the schoolbooks and into the classroom. All the evaluations said it had been a great success. I was very proud of that. Senator Ted Kennedy called me, and he wrote me a personal letter. He said, “Eunice has been driving me crazy for years on this. I didn’t want to put an earmark because I don’t believe in earmarks in AID’s budget, but thank heaven you did this, because it’s now settled an issue that was a huge contention in the family!”

*Q: [Laughter] You made Thanksgiving dinner a lot easier for him!*

NATSIOS: That’s right! I was very happy about that. But as a result of this small program we required that all appropriate programs have some sort of handicapped requirement in them across the entire agency.

*Q: It is one of those moments when one can do something very small that has a big impact.*

NATSIOS: One of the last things I want to say is this. After the 2003 drought when we had a food crisis in Ethiopia that was very serious, I said, “Every two years we’re having to rescue Ethiopia with huge amounts of food aid. It’s not a good idea.” I went to see Meles Zenawi, who I had known for a long time, and I spent seven hours with him. I remember we started at 2:00 in the afternoon. We had dinner, and we ended at 9:00pm. Connie Newman and Kate Almqvist were with Glenn Anders, the Mission Director, and me. Anyway, we proposed 10 reforms, including macroeconomic reforms, and Meles agreed to six of them, but he was very resistant.

One of the initiatives concerned population and family planning. Gloria Steele was the DAA and Kent Hill was the AA for the Global Health Bureau later in the effort, which we created in the reorganization of AID. The career staff did not want to move money out of Asia to Ethiopia. They had been running the family planning program in Asia for 30 years, and I told them I wanted \$22 million moved for the program in Africa. Kent said, “You can’t move \$22 million. We’ll have to gut the programs.” I said “Cut the programs in Asia.” Gloria came in, and I lost my temper because they kept nickel and diming me. Finally, Gloria to her credit moved \$22 million in a large family planning program there.

I talked to a public health officer, from the Population Bureau. I saw her a few years after I retired, and she said, “Andrew, it’s going very, very well.” I was in Ethiopia on the way to South Sudan to do an article for Foreign Affairs in 2015. I stopped in Addis Ababa. The staff told me, “The family planning program has been a spectacular success.” The fertility rate had dropped from an average of six per family to four. There had been a one-third decline in the fertility rate in 15 years. Contraceptive use had gone from five percent to 55 percent, they told me. That was a success story.



We had another program in Ethiopia aimed at reducing the number of domesticated animals that were eating everything. There were too many animals in Ethiopia. It was damaging the environment, and it was not sustainable. We had a program to reduce the animal herds by slaughtering many of the male sheep, cows, and goats, except for the biggest ones, which we would use for breeding. We slaughtered the rest of them for meat, and set up a tanning industry for leather goods. It was done among the Afar, which is one of the poorest tribes in the most famine-prone area. The ambassador, Don Yamamoto, told me that Prime Minister Meles admitted privately to him that AID was right about this. Before the project, Meles had told me, "It's not going to work, Andrew. I will let you do it, but it's going to fail." Don said, "He doesn't think he can tell you to your face that you were right, and he was wrong." But it was a success story.

We also pushed through some property law reforms. We sent Hernando de Soto in. I said, "You need to convince Meles." There was no private property in Ethiopia. He was very successful in persuading the cabinet to change the land ownership policy. Now in Ethiopia, you can own land for your own house and one business. You couldn't own any land before. That is the result of Hernando de Soto's work. It has helped the Ethiopian economy tremendously.

I think AID has had a very big impact over many years, but this initiative we started in 2003 in Ethiopia was particularly successful.

*Q: I think you turned a much greater attention onto the Ethiopia program, where some of the core development issues were. I think that's absolutely right.*

*Thank you, Andrew, and again interesting examples on Ethiopia. I'm wondering as we get towards the end, any further thoughts you have about your tenure as the AID administrator and things you feel particularly important about the contributions you were able to make?*

NATSIOS: I think another initiative I am very proud of is the effort for economic growth. There have been fights at AID for generations on whether we should be doing human needs or economic growth. I think it's a ridiculous debate, because you need to do both. It's not one or the other. If you don't have national institutions and the right macroeconomic policies in place, then you can do all the human services you want, but they're not sustainable. There's no tax revenue. AID has had a huge impact in this area. The only way to make these programs successful in the long term is through economic growth, and so we have the trade capacity building program. There are four trade hubs in Africa now that are facilitating exports from Africa to the United States.

We were the principal implementers of the "Doing Business Report" of the World Bank. When there were factions in the Bank, and the Chinese and the French were trying to abolish the "Doing Business Report," it was AID that protected the report, and that actually programmed the money consistent with what the countries ratings were. I think that's another major success story.

The final thing we did in the economic growth area was with respect to the competitiveness initiative of Michael Porter. We had Michael Porter from the Harvard Business School, who has written this book called *On Competition*; it's in its 9<sup>th</sup> Edition. I used to give copies to heads of state. I gave a copy to Meles, who said, "I've already read it, Andrew, but I read the 4<sup>th</sup> Edition. This is the 9<sup>th</sup> edition, so I'll read it again." Early on, we had Porter lecture for two hours to the senior staff. We videotaped it, and we sent videotapes out to all the missions saying, "We'd like you to watch what he has to say, and then take a copy of his book and see if there are programs that might be appropriate in your context." I didn't order them to do it. We also used the monthly development newspaper AID published to highlight the success stories of different missions using the competitiveness initiative. I think that was another major initiative, and it is still going on today as I understand it.

Just in general, my five years at AID were among the best of my career. I think career officers are among the smartest people and the best managers, who work under very difficult conditions around the world. I think AID is a jewel that has been abused and neglected for too long, and that is why I get a little angry when I see it being kicked around in Washington because of the politics of the city. I think it's the best. It has multiple good effects for the United States, not just for moral purposes, although that counts to me personally, but strategically for the United States. I think people's image of the United States has changed because of our AID programs, in a positive way, and it's strengthened our allies who have been under pressure and saved millions of lives on top of it. I am very proud of my almost-five years at AID.

*Q: Right. So you have a long history with AID, and we very much appreciate you sharing those experiences with us on this. I know you have done a lot of writing, and we will do links to those in the oral history, and people will look forward to reading your subsequent books when you write them. We certainly appreciate you taking the time to do this now. So on behalf of ADST and the AID Alumni Association, thank you very much for adding some more great stories to the lore that we have about Andrew! We should also add a link to one more important article that summarizes your approaches to international development and lessons learned, "The Nine Principles of Reconstruction and Development."*

*<https://ssi.armywarcollege.edu/pubs/parameters/articles/05autumn/natsios.pdf>*

NATSIOS: Thank you very much, Carol.

*Q: Thanks very much!*

*End of interview*