

SID-Washington Chapter Event

CIDC: Introducing the New Kid on the Block

Friday, January 13, 2012

Comments by Betsy Bassan, President and CEO, Panagora Group

Greetings. Delighted to be here with an excellent panel and moderator; one of my favorite groups, SID; and a chance to talk to you about the “new kid on the block” – CIDC.

Plan to share a bit of background on:

- Why we formed
- How we came into being
- What we do
- And address some myths and assumptions

I. History of CIDC

Why did we form? We were hearing a lot of commentary about companies, we realized we needed to create better understanding about us, about the work we do, and be in the discussions, at the table, in real time. We realized it was easy to lump us in with companies that, while in federal contracting, are actually not at all like us – the big IT companies, the defense companies, the security companies. This chatter was not so new, as much as it was increasingly loud, and increasingly influencing policy in ways we felt were not beneficial to the future of development.

In short, we recognized that we have an extremely important role to play in delivering accountable and transparent results that serve US foreign assistance goals; and that it was increasingly important for us to bring that experience and knowledge forward so that it could be included in decision-making. In fact, we began to see that not having that voice brought forward was irresponsible and didn't live up to the leadership role our community actually provides. For example – three of CIDC's leadership has been a past president of SID – Charito, Asif, myself – how could we provide so much industry leadership but not respond to this current need?!

It's important to note:

- the development companies represent a huge percentage of the development implementation force – at least 40 per cent just for USAID. Without our voice at the table, there is a huge amount of evidence and experience missing in discussions on development.
- However, we're not like the NGO community where interfacing is part of the DNA. No, we're “nose to grindstone,” just carrying out the work, serving.
- I have been personally privileged to have worked with NGOs, the private sector and USAID. In fact, I've spent about 10 years in the NGO community. When I first joined the private sector -- already about a third into my career – I was really struck by the different approaches to communication. I remember commenting on this to my mentor Tony Teele because it never felt right to me. Especially as I came to appreciate the depth of this community's contribution to development – carrying out vast projects that reach scale, cover huge geographic areas, and grapple with the major issues – things that would be considered here at home in the US major domestic social and economic initiatives.

- Looking back, that feeling probably fueled my passion for SID and the USGLC – helping to bring the voice of the development companies – our business savvy, innovation, American values, our entrepreneurialism – to the development dialogue.
- One could say that CIDC represents a maturation of our community, that we have reached a point of such pride and confidence in our work that we want to take it public, share it, be part of the development conversation, and make sure all evidence is brought to bear in the policy and aid reform process.
- Thus it is a dream for me to have CIDC form. And a perfect match to use the SID platform as the venue for telling you all about the “newest kid on the block.” At some point during Asif’s and my great collaboration in SID – he as President and me as VP for Programs – SID became the Global Town Square of Development. So it’s especially fitting that we hold this session here today – bringing CIDC and the community we represent fully into the development town square.

II. How did we come into being?

There was a growing sense in our community that we needed a new presence. The PSC (the professional services council), which is our trade association, just like InterAction is the trade association for NGOs, has an International Development Task Force – IDTF -- primarily focused on nuts and bolts federal contracting issues. While doing a great job in that area, we also needed a presence that brought together our knowledge in development to interface at the level of policy and strategy.

In **Dec. 2010** Richard Dreiman, Chemonics’ President, called a meeting with nine companies representing all the various sizes and sectors, which I had the privilege of facilitating. When I launched Panagora in January – yes, now just celebrating a year in business! – it became the 10th company. To give credit where credit is due, let me list the CIDC founding companies and recognize them for their leadership, in alphabetical order: Abt Associates, Chemonics, Creative Associates, DAI, dTS, Integra, IRG, The Kaizen Company, MSI, and ultimately Panagora Group. You can hear that this included a range of large, medium and small companies.

We decided to move forward, met again at DAI, and initiated a concept paper, undertaken in a participatory process, first within the 10 companies, and ultimately with all the other development companies. We quickly formed an Advisory Group that continues to exist, and moved forward to frame out our mission, audiences, messages, objectives, governance, and finance.

Mission: Inform and educate audiences on the critical role of international development companies in delivering accountable and transparent results in support of US national security, economic, and humanitarian goals.

Who do we want to reach/what are our Audiences?: the Administration; Congress; Associations and NGOs; media; and think tanks – the organizations represented by many of you in the room.

What are our Messages? We want to let people know that

- We are proud to be servants of the USG, helping it meet its foreign assistance and international development goals by delivering cost-effective services and results they define
- We are committed to open and transparent competition which we believe provides the best value to the taxpayer and the most effective way to attain development goals

- Our staff are dedicated development professionals and technical specialists with decades of experience living and working in developing countries – many are former Peace Corps volunteers; many come from NGOs, developing countries, and the donor community.
- We want to bring forward our experience and knowledge, including how best to grow capacity and national ownership – which, by the way, and this won't surprise you, is not necessarily measured by direct funding. And certainly not direct funding to entities that aren't yet able to use it well. What better way to turn Americans against foreign aid than to create failures – especially when we have decades of evidence on what works!
- We want to share that the contract mechanism is an excellent way to achieve accountable and transparent results -- to which we bring flexibility, innovation and cost-effective solutions that build enduring human and organizational capacity – among NGOs, the local private sector, and government.

What do we want to achieve?

- We want CIDC to become a respected and sought out voice on international development
- We want development companies to be positively viewed as important implementing partners
- We want contracts to be valued for their excellence in delivering high-impact, transparent, and accountable aid with measurable results

Ok, back to the process: over the next several months, we held two key consultations with our whole community – and of course did a lot legwork between the meetings. Ultimately, **by mid-March**, in a meeting at Creative, we:

- Decided to nest within the PSC as an independent and autonomous body with our own governance and dues structure.
- We elected an Executive Committee and invited all members to serve on the CEO board of Governors.
- We hired a Coalition Administrator who works out of the PSC.
- We hired a public affairs company, the Podesta Group, who serves us in ways similar to what Schroyer and Associates does for the USGLC, what Glover Park does for MFAN.
- We created a revenue-based dues structure.

Currently, we are 55 members and growing. Interestingly, 30 of those 55 are small businesses. We celebrated our **internal launch at Crown Agents, on May 18, 2111 and our public launch on June 22.**

A six month process from start to finish!

The fact that this happened so quickly and seamlessly is a comment on the need, and our agility to meet a need!

III. What do we do?

We have a number of task forces led and staffed by our member companies, which reach out to the:

- Media
- Hill
- Admin
- Third Parties

- Of course, like any membership organization, we also have internally focused task forces on membership.

We also have a lot of information and case studies on our website: www.Americaningenuityabroad.org. That name says it all!

Some features of that website are up on the screen. You'll enjoy scrolling around it when you get a chance. You'll find a lot of examples of the work our member companies do – George Ingram commented that we may be playing a unique role in sharing cases of real development impact and what works.

III. Some myths and assumptions

Our website also tries to address some myths and assumptions about our companies. We know from our first efforts that we need to do a better job of letting people know that:

- Most of our staff in developing countries are nationals, citizens of the country, many of whom go on to major leadership positions that draw greatly on the professional development and mentoring we provide
- That we have usually 1-2 expatriates on any given team
- That we work with and through a vast number of local partners – NGOs, government entities, private companies
- That a very high proportion of our funds go to these local partners – helping them to do the work in new ways and building their capacity in sustainable ways
- That the 1-2 expatriates and our companies bring in new think that is critical to catalyzing change
- That we have very advanced processes for building capacity and fostering national ownership
- That contracts are amazing platforms for catalyzing innovation, for providing transparent and accountable results, and for lowering costs through competition
- That the discipline of the bottom line is as critical an engine in this context as in many others for eking out the most for every dollar – including technical innovation, replication, and – what we all really want -- scale-up to get the kind of change that will really make a dent in poverty in our lifetimes
- That in 2005 USAID analyzed the relative total cost of grants, cooperative agreements, and contracts – and reported to Congress that there was no appreciable cost difference between them.
- **Importantly, that we believe there is a role for all implementing partners – whether private sector or non-profit – and that by bringing all possible talent to this huge challenge, we will succeed better.**

Let me end where I began. We formed because we were being lumped in with other kinds of gov't contractors. By forming, we are recognizing our responsibility to be at the table, to go to bat in defense of the knowledge we have of what works in development and what the private sector brings to the effort. Frankly, this is another form of being a good taxpayer, helping to bring our knowledge forward so that it will be used to help ensure that gov't funds are well spent. We want to up-end the myths and assumptions and be part of the evidence that helps build good policy and good development. While we will not always be popular, we are showing how very committed we are to development, to ending poverty, to helping grow wealth and opportunity.

Thanks!