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Holland & Knight



TABLE OF CONTENTS

**A 21st-Century Supply Chain for
Communities in Need** 2
Chemonics

**The Culture of Success and Evidence-Based
Foreign Assistance Programming** 5
Democracy International

**Contractors Should Expect to See an Increase in
Terminations for Convenience in 2018**10
Holland & Knight

**Common Cause: 5 Ways International Development
Enhances National Security**13
Kanava International

Digital Strategies for the Greater Good15
Sonjara

**How to Win in an Uncertain Aid Landscape:
Better Project Delivery Through Real-Time Data Analytics**18
Souktel

Brexit: IoT to the Rescue?19
Womble Bond Dickinson

A 21st-Century Supply Chain for Communities in Need

A vision for a 21st Century Supply Chain

In the age of Amazon, efficient global commercial supply chains are essential for successful companies to deliver their products to consumers. These companies utilize shipping routes, operate their own fleet of cargo aircraft and container ships, and have end-to-end control over their supply chain operations right down to the last mile. Because of the critical nature of the global health supply chain, the USAID Global Health Supply Chain Program – Procurement and Supply Management Project (GHSC-PSM) must overcome challenges not experienced by established supply chains of similar size and scope in the commercial sector.



Rather than delivering goods to consumers in high-resource areas, for instance, GHSC-PSM must deliver almost exclusively to low-resource areas. These include delivering life-saving health commodities to areas with a poor network of roads or inadequate storage facilities, and sometimes working in places where civil order has broken down.

At its core, our work is humanitarian. People, not profit, is what drives our mission. To accomplish this mission, we work with partners all over the world to determine the best methods of operating a global supply chain that delivers essential commodities to those who need them when they need them. While some counterparts in the commercial sector own their supply chain from manufacturing to the last mile, Chemonics works differently. We bid out as many aspects of our supply chain as possible, including shipping lanes, to drive down costs and ensure the American taxpayer is maximizing their investment to deliver more health supplies for the same dollar.

**Our goal is to pair
private sector
efficiency with a
social mission.**

Bringing the best of commercial supply chains to global health

We endeavor to run the global health supply chain like any commercial business would. Although there are significant differences between operating global supply chains for commercial consumers and one for global health commodities, we can learn much from the private sector. Our goal is to pair private sector efficiency with a social mission.

One key way we improve efficiency and reduce costs is through “fourth party” logistics, or 4PL. A 4PL system means that rather than partner with individual logistics and warehousing firms, our consortium outsources and continually competes logistics services providers to give best value in capability and cost. We make certain that all key delivery lanes and crucial warehousing contracts are put out to competitive bid at least once a year. For example, after conducting an optimization

analysis of our network of regional distribution centers worldwide, we created a new strategy that is projected to save about \$38 million over six years through a combination of reduced warehousing and transportation costs. That is \$38 million that can be used to procure more health commodities for more people.

Our work in delivering vital medical supplies across the world also draws great strength from our strategic partnerships, which include IBM and Kuehn + Nagel, a global leader in logistics. In operating the GHSC-PSM program, our consortium provides unparalleled data visibility through innovative information systems design. Their expertise, along with our innovative ARTMIS information technology system, allows us to track supplies in real time – and, crucially, to act quickly if there is a warning that supplies may be delayed.



Market dynamics lower prices

We also drive greater efficiency by seeking the best possible pricing terms for the supplies we deliver to allow us to deliver more supplies for every dollar. One key is leveraging USAID's market influence around the globe to understand market trends and get the best deal possible. Another is doing in-depth analyses of the market dynamics that go into manufacturing medicines, so we better understand their price points.

In collaboration with IBM and McKinsey & Company, Chemonics and USAID are implementing a more targeted approach to procurement that identifies innovative ways to consolidate and standardize our commodity offerings across the global health supply chain while seeking to improve health outcomes.

As a result, we are building a sustainable global market for health commodities while managing the complexities associated with the goals of an end-to-end supply chain process. Working alongside our partners and suppliers, our insights enable the GHSC-PSM project to appropriately scale operations more successfully, improve commodity demand forecasting, and deliver the best and most cost-effective solutions.

Part of our effort in driving efficiency and quality is to emphasize a local approach to procurement. Other contractors do all procurement centrally, but Chemonics uses a decentralized system to ensure that procurements are responsive to local needs and can be done flexibly and at lower cost.

A relentless push for excellence

Chemonics' optimization work on USAID's global health supply chain is already yielding benefits at the county level. One major source of inefficiency in previous supply chains that we have been acting quickly to correct is duplicative and costly warehousing.

In Nigeria, Chemonics is responsible for delivering commodities throughout the supply chain, all the way to local clinics. To provide greater flexibility in storage at lower cost, we have implemented a system of low-cost modular warehouses. The modular warehouses have reduced the cost of construction by 50 percent and meet storage standards similar to those of advanced health systems in the United States. In this way, GHSC-PSM has enabled Nigeria to move forward with the most cost-effective tools that will enable lifesaving supplies to continue to reach those who need them most.

"Route optimization" is crucial to effective commodity delivery. Inefficient routes can result in needless costs, thus diminishing the effectiveness of the supply chain. GHSC-PSM pioneered new ways to optimize routes in the

country of Lesotho, beginning in 2016. By implementing a tablet-based “push” supply request system, staff could improve data clarity and reduce delays and risk of shortages in last mile storage sites. Analysis performed by GHSC-PSM staff identified more direct routes that last-mile deliveries drivers should take, thus reducing time travelled by one-third, a sizeable cost savings. Staff support also implemented a warehousing system that reduces waste, increases transparency in available supplies and effective moves these supplies to district and local levels



Conclusion

Some jobs have a start and an end. Ours does not. We never stop trying to improve, and we never stop trying to gain maximum efficiencies from our work, so our work is never done. Chemonics is committed to excellent and committed to building a flexible, responsive, efficient and modern global supply chain. The truest winners from that effort will not be Chemonics, or even USAID – they will be communities we serve across the world.



The Culture of Success and Evidence-Based Foreign Assistance Programming

By Aaron Abbarno, PhD



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Introduction

The National Research Council's landmark report, *Improving Democracy Assistance: Building Knowledge through Evaluations and Research* (2008), jumpstarted the commitment of the U.S. Agency for International Development to evaluation and research for decision-making. A decade on, the international development community continues to call for more “evidence-based programming.” USAID and implementing partners broadly agree that open data should inform assessments and evaluations, evidence should drive strategic and programming decisions, and rigorous tests of intervention effectiveness should underpin project design. But progress toward these goals is mixed, at best. USAID and its partners fully embrace this call in principle, but certain challenges prevent us from realizing it in practice.

On the supply side, proponents of evidence-based programming in foreign assistance may have overestimated the availability of quality data and underestimated the difficulty of scaling evidence-based practices (Brooks 2016). In particular, it is not yet clear how to leverage social science to make the case for funding, which is often based more on political judgments than on data trends. On the demand side, we in the development community lack a healthy skepticism about our work and remain largely unacquainted with basic standards of empirical research. Low social science literacy means we might infer too much from individual studies and retain biases that favor unsubstantiated assumptions.

The supply-side problems are basic, strategic deficiencies. The demand-side problems, on the other hand, reflect a more fundamental cultural tension that thwarts evidence-based practices in international development. In this paper, we examine that tension and propose three approaches implementing organizations can use to minimize friction.

Cultures of Success and Skepticism

Development practitioners are a principled group. Development is our vocation. We commit to the ideal that development is freedom, and we celebrate our progress toward that end. We de-emphasize our failures, and we regard setbacks as motivation to re-commit to our motivating ideal. This is more than a rational business stratagem. Development is indeed an industry with multiple competitors and success is a prerequisite for funding. But the stakes are much higher; ethically, many development goals are intrinsic goods that merit advancement no matter what. Across international development, this “culture of success” buoys sectors whose purpose is to ameliorate tragedy and human strife. In that regard it is a healthy culture.

But the culture of success behind our work may be at odds with the “culture of skepticism” undergirding social science research and evaluation of that work, which measures results against transparent and objective standards, and understands failure as part of the knowledge accumulation process. Indeed, the scientific method is built on failure: you cannot be right unless you can prove something to be wrong. Standards are deliberately high, not so findings can be reported with certainty but rather so that conclusions can be made with measurable and transparent uncertainty. Uncertainty, in turn, informs new questions and enables us to move knowledge forward.

The social science underlying evidence-based programming embraces failure and is value-free. Development assistance, by contrast, is value-loaded and, with uncertain budgets, cannot often afford to be unsuccessful.



Anecdotes and one-off “success stories” remain more critical for justifying funding than patterns and regularities in empirical data. Negative and null findings can be liabilities for USAID mission budgets and the reputations of private organizations that implement USAID programs. The consequent tendency to define evidence down (Lester 2016) means defensible but undesirable results can be downplayed and positive anecdotal results misconstrued as generalizable beyond what the data justify.

Cultures of success do not cope well with data-driven challenges to conventional wisdom. It is not uncommon for the mounting evidence against, say, the Community Driven Development (Mansuri and Rao 2004), or Deworming (e.g., Taylor-Robinson et al. 2015; Aiken et al. 2015) based on carefully vetted methodologies to be found objectionable or go unnoticed as programming persists despite the evidence.

Some defensiveness is warranted. Evidence-based programming is sometimes called “Moneyball” for government (e.g., Nussle and Orszag 2015), which connotes a stinging devaluation of professional experience relative to imperious statistics. In a memorable scene from the namesake film, a baseball scout with 29 years’ experience condescends to his data-inclined manager: *“you don’t put a team together with a computer... Baseball isn’t just numbers. It’s not science. If it was, then anybody could do what we’re doing but they can’t because they don’t know what we know. They don’t have our experience and they don’t have our intuition...”* The manager brushes him off, *“Adapt or die.”* The culture of success in our development community is one into which evidence-based approaches do not always fit. We must adapt.

Success-Oriented Approaches to Evidence-Based Foreign Assistance

Absent a tectonic shift in development culture and the institutional incentives that inform it, USAID and its implementing partners must take several steps to integrate evidence-based approaches more effectively into their daily work. Based on our own practice at Democracy International, we suggest three main approaches that can improve evidence-based programming with minimal culture shock.

1. Maintain an Open Data Environment

Evidence is not possible without quality, open data to back it. Open data is information that is made available to the public in a non-discriminatory, non-proprietary, and machine-readable manner. The international development community collects—and generates—troves of data as a byproduct of our project implementation efforts. This data is often entered into spreadsheets, stored on servers, buried in reports, and never seen again.

A cursory search of online databases, for example, suggests South Sudan is a “data desert” where scant reliable information exists. In fact, the opposite is true: for 10 years, implementing partners have amassed caches of data on population, migration, locations of health clinics, health clinic cases, school locations, school enrollment and attendance figures, agricultural output, geolocated incidents of violence by date, election results, locations of radio and mobile coverage towers, and much more. Only a small portion of this data is found online; the vast majority is sequestered on dozens of servers maintained by dozens of entities.



Public, private, and international organizations across the world each possess key pieces of information that could be refined and combined to improve problem identification, intervention targeting, and strategic decision-making across the all development sectors. Toward that end, DI has acquired, and is in the process of sharing, the South Sudan data. Similarly, in Tunisia, DI has opened, processed, and analyzed all official election data (voter registration, voter turnout, election results, invalid/spoilt ballots), demographic, socioeconomic, and infrastructural data since the 2011 revolution. In preparation for the upcoming 2018 municipal elections, DI has been able to layer this data onto municipality and polling station maps to identify priority areas for voter education, and to layer infrastructural data over priority areas to determine which mechanisms provide the most appropriate and effective strategies for sharing information. Open data, intelligently used, can maximize our orientation toward success.

2. *Develop Evaluation-Ready Programs*

Evidence is not merely a product of scrutinizing data; no single indicator can tell you whether and why a program works. Evidence is the interpretation of facts against expectations, and it varies in strength by our level of confidence in our own conclusions. This is determined by research design—not indicator selection. The purpose of any research design is to answer a question as unambiguously as possible.

Similarly, we strive to develop our projects so that stakeholders can see clearly whether some part of the project does or does not produce expected results. The choice of evaluation methodology should depend entirely on choice of question and feasibility conditions. Therefore, clarifying what we want to know in advance—and designing programs from the start to test our expectations—encourages programs that generate evidence that meets both funding agency standards and academic rigor.

Evaluation-ready programs will have several characteristics. They will be designed to implement and test evidence-supported theories of change and will articulate nuanced questions about program performance or impact from the very start. Evaluation-ready programs will specify expectations in relation to explicit baselines and will delay all activity implementation until baseline data is collected.

Implementers should partner with academic consultants with expertise in project subject matter and research methodology at the earliest project design phase, and should demonstrate commitment to maintaining evaluation integrity as a core component of program implementation. Data collected on evaluation-ready programs should be maintained and opened to the public after a reasonable embargo period to encourage downstream reproduction of results, retesting, and re-evaluation after incentives to maximize appearances of success have abated.

3. *Engage in Continuous Testing of Theories of Change*

Evidence-based programming can be misconstrued as the guaranteed path to learning “what works and what doesn’t.” This pairing is pithy, but it ignores time, context, and idiosyncratic error. One-off impact evaluations are more useful than anecdotes, but accumulations of evidence are more useful still. Wherever possible, implementers should open their programs to evidence aggregation efforts, such as the Metaketa (accumulation) initiative at Evidence in Governance and Politics (EGAP), a consortium of academics who specialize in field experiments. USAID is increasingly comfortable with continuous



monitoring and adaptive management; implementers need to lead on iterative evaluation—repeated testing of replicated activities across multiple contexts as a means of gauging robustness of interventions across time and space.

One clear way implementers can lead in evaluation and research is by using their projects as opportunities to test the applicability of evidence-based interventions in new environments or under new conditions. Development programming offers a wealth of opportunity to reconfirm and expand the external validity of what rigorous academic-driven field experiments have already demonstrated. We can also make better use of opportunities USAID and other funders give us to engage in the design of programs, for example through Requests for Information (RFIs) and draft Statements of Work, to make suggestions for interventions that have strong evidence bases or raise questions about the utility of interventions that are not supported by evidence.

Conclusion

Evidence-based programming combines professional intuition and judgment with evidence that has been aggregated, analyzed, and consumed for the purposes of reducing uncertainty in strategic and programmatic decision-making and management. It is a shared objective across the development community and one we may realize through cooperation and intelligent sharing and sincere scrutinizing of our work. Development, at its core, aims to enhance human dignity and spread good in the world. Success on these fronts is absolutely essential. But it is skepticism that can enhance our ability to deliver. We are producers of knowledge as much as we are producers of global good, and we must take responsibility as much if not more for what we do not know as for what we think we do. The sooner and the more we work together to genuinely scrutinize our progress, the more effective—and the better off—we all will be.

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Contractors Should Expect To See An Increase In Terminations For Convenience In 2018

Holland & Knight

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Contract terminations are likely to increase in 2018 against the ever-present backdrop of budget constraints and the current Administration's ongoing review of major programs and contracts. Perhaps the most acute area of displacement will occur in the area of international contracting as the Administration realigns foreign aid efforts and priorities for the U.S. abroad. It is, therefore, more important than ever for federal contractors and subcontractors to understand their obligations, rights, and remedies in the event of a termination for convenience. Knowing the deadlines and submission requirements set forth in Part 49 of the Federal Acquisition Regulation ("FAR") can speed the process and maximize recovery.

What processes apply to terminations for convenience?

In practice, the Government can terminate a contract for any reason and does so by the contracting officer issuing a written notice of termination for convenience. In some cases, the Government may terminate only a portion of the contract, leaving the remaining portions in place.

Upon receipt of a termination notice, a contractor must stop work immediately and cease placing new subcontracts and orders. If special circumstances exist, making work cessation unfeasible, the contractor must immediately notify the Government. The contractor, in turn, is required to terminate the work of its subcontractors. It is therefore critical that prime contractors include a termination for convenience clause in their subcontracts to avoid circumstances in which the prime is obligated to continue paying a subcontractor even though the Government has terminated the prime contract. Failure to include such a clause could leave the prime contractor liable to its subcontractors for costs it cannot recover from the Government.

The FAR provisions governing terminations for convenience contemplate a settlement between the terminated contractor, who acts on behalf of its subcontractors, and the contracting agency. The basic goal is to compensate the contractor fairly for the work done and the preparations made for the terminated portions of the contract, including a reasonable allowance for profit, unless the contract is in a loss position.

A terminated contractor has one year to submit a termination settlement proposal. Accordingly, once the contractor has completed the immediate tasks of stopping work and notifying suppliers and subcontractors, it should turn its attention to settling with its subcontractors. The rules governing what costs may be included in a termination settlement are the same for prime contracts and subcontracts. The prime contractor has primary responsibility for reviewing the claims of its subcontractors but can request the Government to audit a subcontractor settlement proposal in certain cases, such as when a subcontractor objects to providing its financial information to the contractor because of competition concerns. In reviewing subcontractor termination claims, the Terminating Contracting Officer ("TCO") is to determine if the settlement was arrived at in good faith, is reasonable in amount, and is allocable to the terminated portion of the contract (or, if allocable only in part, that the proposed allocation is reasonable).

The FAR contains special recovery provisions for commercial item contracts. In the case of a commercial item contract, because companies are using the same parts on both its government and commercial contracts, it is not always possible to allocate costs precisely. Accordingly, the FAR simplifies termination compensation for these contracts. Commercial item contractors terminated for convenience are paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the contractor can demonstrate to the satisfaction of the Government using its standard record keeping system.

What costs can a termination settlement proposal contain?

The Government uses standard forms to enumerate the permissible categories of cost to be included in a termination settlement proposal. The forms differ from contract type to contract type. SF 1435, "Settlement Proposal (Inventory Basis)," is the most common form. It identifies the following cost elements:

- » Inventory (e.g., purchased parts, raw materials);

- » Finished parts and/or works-in-progress;
- » Special tooling or equipment;
- » Other special costs;
- » G&A;
- » Profit (unless a loss contract);
- » Settlement expenses (including subcontract settlements); and
- » Credits.

The reasonableness and allowability of each of the cost elements in a termination settlement are governed by the same concepts and terms as in the general FAR cost principles. The following sets forth some of the general principles as applied to termination costs:

- » Costs of “common items” – those reasonably usable on a contractor’s other work -- are not allowable unless the contractor submits evidence that the items could not be retained at cost without sustaining a loss.
- » “Costs continuing after termination” – such as idle facilities -- are generally allowable where the contractor has taken reasonable steps to end them.
- » “Initial costs” not fully absorbed because of a termination are allowable. One example is “starting load costs” such as learning curve costs and training.
- » “Loss of useful value” of special tooling and special machinery and equipment is generally allowable to the extent it resulted from the termination.
- » “Rental costs under unexpired leases” are allowable for a reasonable period, to the extent they cannot be avoided, if necessary for the performance of the terminated contract.
- » “Subcontractor claims” are generally allowable. An appropriate share of the contractor’s indirect expense may be allocated to the amount of settlements with subcontractors.
- » “Settlement expenses” for preparation and presentation of a termination claim and termination and settlement of subcontracts are generally allowable. These expenses include the cost of in house personnel and outside experts such as attorneys and accountants.

Assuming the Government and the contractor eventually arrive at a settlement, the TCO prepares a termination settlement memorandum which is used to obtain the necessary agency approvals (each agency establishes its own review process). Once that is accomplished, the contract is modified to memorialize the settlement agreement.

What's a contractor to do?

Contract terminations rarely come out of the blue. There are often early warning signs, including disruptions in contract funding, the issuance of stop work orders, and so on. Contractors should be mindful of these indicators and if they emerge, should take added steps to gird for a potential termination.

Managing subcontractor relationships is a key part of the overall process. Prime contractors should ensure that they have flowed down the prime contract termination clauses *and* that they have done so in a way that allows the prime contractor to collect necessary information and settlement proposals from subcontractors well in advance of their own deadlines. Prime contractors also need to diligently pass on stop work and termination notices to their subcontractors, obtain an acknowledgement of receipt, and be clear in stating expectations from subcontractors.

Finally, communication and good record-keeping is key. Most termination settlements, when properly handled, are resolved amicably, especially when the TCO is kept informed of the contractor’s positions, status, and intentions.

COMMON CAUSE

Five Ways International Development
Enhances National Security



PHOTO: U.S. Marines and Nepalese soldiers unload tarps off of a UH-1Y Huey at Orang, Nepal, May 19, 2015, during operation Sahayogi Haat, "helping hand." (U.S. Marine Corps photo by Cpl. Isaac Ibarra)



1

Development is integral to the national security triad.

Development, Defense, and Diplomacy form the triad promoting U.S. national security at a complex and rapidly changing time. In today's volatile world, it is more important than ever that Development, Diplomacy, and Defense work in concert to check the spread of instability and extremism and transform threats into opportunities for economic, political, and social renewal, peace, and stability. To be successful, each has its own role to play.

2

Development practitioners understand unity of effort.

We cannot achieve unity by relying on one component of power, such as the military. At its core, America's strength to meet global 21st century challenges depends upon strong unity of effort between civilian and military capabilities at home—a unity of effort that can then be expanded globally. From Iraq to Afghanistan to disaster zones the world over, international development practitioners have put this principle into action.

3

Development is about leveraging resources.

Official Development Assistance (ODA) has become a small part of the funds flowing into developing countries. Investment, remittances, and non-traditional donors now dwarf ODAs, affecting America's influence. Responding to this shift, USAID and its implementing partners have turned to public-private partnerships and other non-traditional aid arrangements, strengthening America's value proposition as a source for development and innovation.

4

Development fosters resilience.

From man-made to natural disasters, people around the world face multiple challenges. Problems that have been decades in the making cannot be fixed quickly. While disaster assistance is addressed by both military and development elements of America's toolbox, the world will be better able to withstand disasters and rebuild more quickly if there is a focus on local capacity building and preparedness prior to an event occurring.

5

Development empowers local communities.

Developing countries not only have other options for investment and assistance, they have a natural desire to stand up on their own. While U.S. influence has changed over the years, it can still provide assistance to localities around the world as partners, cultivating new types of relationships that will, in the end, increase the national security of the U.S. and provide for a more stable global economy.

KANAVA delivers development.

As a fully women-owned and service-disabled veteran-owned small business, KANAVA brings half a century of experience in military operations and international development. Together, our leadership team works to apply the very best in industry practices to solving the world's most pressing challenges—one institution at a time. Email us at info@kanavainternational.com.



Digital Strategies for the Greater Good



Sonjara is a woman-owned small business with 14 years' experience providing appropriate, impactful, innovative, and sustainable technological solutions. Our context-based solutions involve the critical thinking and comprehensive analysis aimed at successful outcomes in foreign assistance.



Technology Evaluations

Independent, third party expertise to help you understand your technology investment.



Technology Consulting

We will help you answer key questions, ground truth assumptions, and bring your vision to fruition.



KM and Data for Development Support

Harness data - existing and new, qualitative and quantitative- for sustainable development, in responsible and open ways.



Web and Mobile App Development

Rapid solutions for real problems. You need it? We can build it securely and efficiently.

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NEW: Sonjara Uganda
based in Kampala and
supporting East Africa.

1 Introduction: Responsible Digital Data Practice Guidelines

USAID Global Development Lab, via FHI 360 mSTAR, hired Sonjara and Georgetown University to research and design Responsible Digital Data Practice Guidelines for USAID and implementing partners, in response to growing concerns from the international development community about potential **privacy and security risks** with digital data, especially with the need for more **data for decision making** and increasing commitments to **transparency and openness** with data. The Responsible Digital Data Practice Guidelines will be published in the Winter 2018.

2 Why do We Need to be Responsible with Digital Data?

Digitization of Development

Digital technologies are a rapidly growing part of foreign assistance programs, be it electronic medical records and health information systems, social media human rights mobilization, use of biometric identifiers for digital identities, or increasing financial inclusion through mobile money. With increasing access to and use of mobile technology, many new users in developing countries are gaining access to the internet, information services, and other value-added services for the first time. As the opportunities for data collection grow, the need for data for decision-making also grows. The Sustainable Development Goals, as one example, requires more and higher quality data than previous programs, and the access to this data will only be possible with digitization of data management in foreign assistance. Finally, open government partnerships and transparency commitments means that much of this data needs to be open and available to a wide range of people to use in a variety of ways.

Different Risks Due to Digitization

However, with these increasing opportunities come increasing challenges; many development experts are growing more concerned about the potential for harm due to privacy and security risks that these types of data present, especially to vulnerable individuals and communities.

- Digital data offers **new risk vectors** not offered in the past.
- **Privacy risks, both real and perceived**, present a real and current challenge to use of data and data sharing in development programs.
- **Questions of ownership and sovereignty** over data comes into question with private sector involvement, social media, cloud storage, and open data mandates.
- **Unanticipated/unethical use of data** by governments, donors, or IPs is now increasingly probable, especially for security or political outcomes.
- Poor quality of data and digital technologies can reinforce and **expand existing inequality and undermine program effectiveness**.

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What is Responsible Digital Data for Foreign Assistance?

- **Legal liability** from harm done **due to irresponsible data** is becoming more and more likely, especially with the impending Global Data Protection Regulation (GDPR) and the US Government's Privacy Shield agreement.

3 USAID-Funded Programmatic Data: The Legal Requirements

USAID funds a lot of data for programmatic usage around the world, ranging from monitoring and evaluation data, health records, financial payments, and demographic information. As part of our research, the team reviewed existing laws, regulations, and policies by the US Government, USAID, and international law, and compared them to the current USAID data ecosystem to see what regulations and expectations existed for the majority of programmatic datasets that USAID funds through IPs. The most relevant regulations reviewed were:

- **Protection of Privacy and Data Security:** The Privacy Act, Fair Information Practice Principles, the Common Rule and other USG commitments to protecting PII and sensitive data;
- **Data for Decision-Making:** Principles outlined in the Program Cycle (ADS 201) and in FATA; and
- **Transparency and Openness:** Open Government Partnership, International Aid Transparency Initiative (IATI) and the USG's open data policies, and Foreign Aid Transparency and Accountability Act (FATA).

The team discovered that the scope and applicability of the above regulations and commitments are based on:

- **Type of data being collected** (Human Subject Research Data or Intellectual work have different standards than operational data);
- **Legal status of the data subject** (US Person/EU Data Subject vs non.);
- **Who owns and controls the data system** (US government or non-US government).

As a result, the team discovered that a large number of **USAID funded programmatic datasets do not fall under existing legal guidance** on how to protect privacy and security, while balancing the need for data for decision-making and transparency and openness. Many programmatic datasets are:

- Considered **intellectual works** (meaning must be registered and submitted to USAID's Development Data Library) but not considered Human Subject Research by USAID, even if they contain personally identifiable information (PII), meaning they are not subject to the Common Rule or IRB review.
- Required to **follow USAID's data quality guidelines**, which are silent on privacy and security protections.
- Consist of data on **non-US Persons**, of whom some are potentially EU Data Subjects (meaning the data may be subject to GDPR/Privacy Shield but not to the Privacy Act).
- Collected, stored, or processed **outside of US government-owned systems**, but by systems managed by partner governments, an IP, or private sector partner, or a combination (meaning they are not subject to the Privacy Act nor most US Government IT security regulations).
- Usually **outside the jurisdiction of other US Law** (COPPA, HIPPA, FTC) due to the location or nature of the delivery of services.
- Processed in countries where **data protection laws are unclear**, brand new, out of date, or not well enforced.

The Responsible Data Practice Guidelines were developed to address these gaps with ethical approaches and provide best practices around data management, privacy protection and transparency that are in alignment with USAID's and the development communities' ethical values, existing regulations, and best practices.

How to Win In An Uncertain Aid Landscape:

Better Project Delivery Through Real-Time Data Analytics



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In today's aid funding climate, only one thing is certain: The future of US foreign assistance will look very different from anything we've seen before. And whether aid reform comes sooner or later, the pressure on contractors to "do more with less" will only keep growing. Now, more than ever, demonstrating impact and showing results—early, often, and proactively—is essential for winning new business and extending current contacts.

But generating quick results on multi-year contracts is easier said than done: By the time startup is complete and work plans are approved, a project is halfway through Year 1. Close-out can consume the better part of a project's final year. In the intervening months, staff turnover can be high and Mission priorities can change repeatedly. In many cases, contractors have 12 to 24 months at best to show "value for money"—all under the watchful eye of external evaluators. None of these constraints are new, but as uncertainty builds across the sector they become more acute.

Thankfully, government agencies are increasingly aware of these challenges—and as a result, they're encouraging implementers to think creatively. The concept of leveraging technology to optimize project delivery, monitoring, and evaluation—once a fringe concept at USAID and the State Department—has now moved to the fore: Missions are launching their own GIS and MIS platforms widely, and public-facing portals (for projects, embassies, and Missions alike) are becoming the norm rather than exception. In this new era of heightened aid transparency, digital solutions are viewed as cost-effective channels for sharing information.

So, how can contractors seize this opportunity and leverage technology—to drive better project management internally, and better reporting externally? For many implementers, "big bets" on tech inspire fear: Technology changes quickly, and in-house capacity to manage it is limited. But focusing on the basics—and on real-time data analytics, in particular—is an ideal, low-risk place to start. Since 2008, Souktel has supported 20+ CIDC members in launching data analytics for over 75 projects. Across these engagements, three key change drivers have emerged which contractors can put in place to ensure "quick wins":

Multi-Channel Data Collection: The best projects capture the right data—from communities, field offices, and the home office. With stakeholders all having different levels of tech literacy and access, flexibility in data collection is crucial: Basic cell phones may work best in remote locations, tablets may be easiest for field staff, and smartphones with

chatbots may be optimal for areas with wifi or 3G/4G. Data collection platforms that accommodate all of these options ensure all sources are accounted for, and all voices are heard.

Intelligent Analysis: To manage and interpret the massive data flows collected by any project, tech-driven analysis is essential. Increasingly, this means machine learning and artificial intelligence: Leveraging software to triage data more quickly, and using applications that learn progressively as they analyze data sets. Here, a range of choices exists—from packaged products to custom-built solutions. Regardless of which option is chosen, contractors should prioritize one key factor: Automating any processes (especially for quantitative data) which don't actively need human intervention.

KPI Dashboards: Whether they're built from scratch through a human-centered design process, or by blending off-the-shelf products with custom software, dashboards are the apex of the analytics pyramid: They help the entire project team—from COP, to COR, to first-year field staff—understand exactly how well a project is delivering on key performance indicators, on a daily basis. When they display strong, relevant data that's been analyzed intelligently, dashboards can highlight successes and pain points instantly—saving projects significant time and cost.

By providing day-by-day updates on the project components that matter most, real-time data analytics empowers contractors to stay ahead of the project curve, lead adaptive management, and demonstrate rapid impact to government agencies. Unlike stale quarterly reports that are outdated by the time they're submitted, real-time reporting helps contractors and funders identify challenges early on, and work collaboratively on solving them. In any country, and under any foreign assistance model, that's a win-win outcome for everyone.

"Technology is now absolutely essential for successful project delivery".



Brexit: IoT to the Rescue?

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For retailers, speed and efficiency in supply chains are paramount. With the possibility of a “hard” or “no deal” Brexit, retailers must adapt to a new operating environment. The UK government is exploring the potential for highly streamlined technology-based procedures to preserve frictionless borders. The Internet of Things (IoT) could play an important role, but also comes with a range of legal implications.

Getting into the Blue Lane?

Theresa May has acknowledged the possibility of a “no deal” Brexit and confirmed that the government is making contingency plans in case of this outcome. Of particular concern is the movement of goods entering or leaving the UK through Roll-on-Roll-off ports or terminals due to limited holding space and pressures stemming from up to 130,000 businesses trading with Europe having to grapple for the first time with border checks.

The UK could learn a lot from Singapore’s technology-based “single window” import system, allowing customs declarations and other regulatory or security requirements to be dealt with through one portal, rather than having to navigate different systems or departmental websites. However, that would not in itself speed commercial traffic through border checks. Physical checks, and therefore delays, would remain a feature of border procedures. Consequently, there is a pressing need to explore further layers of technology-based support to achieve something closer to “frictionless” borders.

Any viable solution requires a combination of technologies. In the containers themselves, optical number plate recognition systems might confirm the identity and origin of tractor units. IoT tags and GPS data could confirm that container units are tracked and that they are associated with the correct tractor unit. The container’s contents might also be tagged to confirm provenance together with other key data points such as the relevant product code for customs purposes. IoT-connected temperature gauges and CO2 detectors might be

added to provide data relating not only to the condition of perishable goods, but also to alert border officials to any need to check for illegal immigrants. Once checked at its point of origin or at the first border crossed, real-time data transfers confirming that nothing has changed would allow authorised traders to speed unimpeded through a border control “blue lane”.

Mobile and fixed sensors at the UK port could test for contraband, disease, weapons and other undesirable contents as containers are offloaded from trucks and ships. Port authority analysis may begin to forgo opening vehicles for faster external scans using IoT equipment. Deeper analytics will allow the port master to make more accurate predictions of theft, smuggling, and damage with minimal stoppage of flow.

Any such system would, of course, involve cost and require either a compelling business case or strong regulatory drivers. One possible avenue would be to include participation as a component of Approved Economic Operator (AEO) status, qualifying a business for “blue lane” access. Given that it stems from the World Trade Organisation “trusted trader” concept, and has both customs and security aspects, AEO status will remain crucial whatever the outcome of Brexit negotiations.

Data and Cybersecurity

Security and data law compliance are key areas of concern, both for retailers and in relation to any government decision to implement or tap into technological solutions to overcome trade barriers.

The proliferation of IoT devices presents risk. Inadequately-secured IoT devices may be hijacked for their valuable commercial data and even combined to launch large-scale distributed denial of service attacks. Discussions about liability for such attacks remain speculative. Lawyers are actively discussing whether negligence-based liability might land on the owner or operator of insecure equipment in addition to the criminal instigators of such attacks.

The General Data Protection Regulation (GDPR) comes into operation on 25 May 2018. Its key features will be replicated post-Brexit by the UK’s Data Protection Bill. The legislation sits uneasily with the blockchain and distributed ledger

technology likely to underpin any IoT-connected border solution. In particular, distributed ledger involves replicating data to each node (or participating computer) within the network, creating multiple avenues for data exposure and a significant risk of breach. Those concerns mean that any solution adopted by the UK government could require a “permissioned” or access-controlled blockchain.

Retailers would also have to be confident about security in any such system. Incidents such as the “DAO hack” of June 2016 demonstrate that coding vulnerabilities can be exploited for fraudulent purposes. Committing commercially sensitive information, such as contract terms or product volumes, to a distributed ledger requires a high degree of security assurance, bringing administrative burdens which potentially limit its ability to cope with the anticipated scale of post-Brexit customs, security and compliance checks.

The UK government had a headstart in relation to blockchain and distributed ledger. In January 2016 Chief Scientific Adviser Sir Mark Walport’s report flagged the technology’s potential to reduce fraud, error and the cost of paper intensive processes. Since then, UK government attention has been diverted by Brexit. Other jurisdictions are pulling ahead. Singapore aims to deploy the technology to secure its position as a global trading hub, while in the US States such as Delaware have legislated to encourage blockchain, distributed ledger and IoT as key enabling technologies for business. The UK has some catching up to do.

Brexit may yet be deferred for a transition period. However, the clock is ticking and any technology-based solution to border issues may be deployed soon. To meet the challenges identified in the BRC Customs Roadmap, retailers should consider the risks and engage in the process of implementing a technology-based system capable of meeting the post-Brexit challenge.

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