

# Investing in America's Global Leadership

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**F**rom the Arab Awakening to the rise of China and India, the world is transforming before our eyes. But whether the challenge is halting the proliferation of weapons of mass destruction or driving global economic recovery, American leadership is more essential than ever. Only the United States has the strength and the will to anchor a more peaceful and prosperous world.

As the pace of global change accelerates, we cannot and we will not sit idly by—we must adapt. Under the President's leadership, we are deepening our ties to the Asia-Pacific region and honoring our commitments around the world. We are supporting the historic transitions in the Middle East and North Africa. We are tearing down unfair obstacles to trade and investment, connecting American companies to opportunities abroad, attracting investment to the United States, and supporting job creation here at home. We are fighting increasingly sophisticated international crime and trafficking organizations. We are empowering women and girls, protecting our borders, promoting sustainable economic development, and supporting our friends and allies. And we are strengthening the diplomacy and development work at the heart of our evolving missions in Afghanistan and Iraq.

And crucially, we have embedded these priorities in the budget request that President Barack Obama released in February, which includes Secretary Clinton's Fiscal Year 2013 request for the Department of State and the United States Agency for International Development (USAID). The budget is not merely a set of numbers and tables. It is a blueprint for how diplomacy and development can protect America's national security, bolster our economic prosperity and promote our values. A quick glance at this blueprint shows that we are tackling America's global challenges, opportunities and responsibilities with about one percent of the federal budget. As our colleagues at the Department of Defense will tell you, the State Department and USAID are among the most effective *and cost-effective* tools we have to keep America safe and prosperous. As a diplomat and former businessman, I am proud that we are giving American taxpayers such a remarkable return on their investment.

Still, this is a time of economic hardship for too many families, and we are seeking every opportunity to work smarter and more efficiently. We have made painful but responsible cuts. We are implementing many reforms envisioned by the Secretary's Quadrennial Diplomacy and Development Review. The Secretary has appointed the Department's first Chief Economist. We have created new State Department bureaus to consolidate our work on counterterrorism and energy issues. We have new monitoring and evaluation procedures to better ensure that every dollar is spent wisely. And our USAID reform agenda is on track to transform it into the world's premier global development agency. In short, we are changing the way we do business to bring diplomacy and development into the 21<sup>st</sup> century.

To do all this, we are requesting \$51.6 billion for the Department of State and USAID in FY2013. Even as our responsibilities increase significantly in Afghanistan, Iraq and Pakistan, our request increases by less than the rate of inflation. Here's what the request proposes to fund:

**State Department and USAID Request: \$51.6B**

**Preventing conflict, supporting allies and partners, promoting democracy:**  
28% or \$14.6 billion.

**Protecting national security in the frontline states:**  
23% or \$11.9 billion.

**Promoting global human and economic security:**  
28% or \$14.7 billion.

**Our people and America's global presence:**  
21% or \$10.4 billion.

*First, we continue to invest in efforts to prevent conflict, support our friends and allies and promote democracy.* We work to prevent conflict today so that our troops do not have to deploy tomorrow. Our diplomacy and development programs ease tensions, improve our friends' capacity to help themselves, forge new strategic partnerships, and promote our values in every region of the globe. We help train Central American police to take on drug cartels and gangs. We bolster fledgling ministries in post-conflict nations such as South Sudan and Libya. We invest in international institutions and vital peacekeeping missions around the world. And, we continue to deepen our military partnerships with more than 70 countries, including our steadfast ally Israel. In fact, our unwavering support for Israel continues with this year's request maintaining last year's record funding levels.

For the first time, our request includes \$770 million for a new Middle East and North Africa Incentive Fund. This fund is inspired by the courage and sacrifice of those seeking a better, freer future for the region. The new fund will provide support for free and fair elections, civil society, democratic institutions, transitional justice, open markets, and inclusive growth—and it will reward governments that embrace political reform.

*Second, the women and men of the State Department and USAID are engaged on the frontlines to keep America safe.* In Afghanistan, Iraq and Pakistan, civilian agencies are bearing temporary, extraordinary costs as reflected in the budget for Overseas Contingency Operations.

In Iraq, civilians have assumed full leadership of an American mission that once involved more than 170,000 troops. Our diplomats and development professionals are now responsible for helping Iraq become a secure and stable partner in the heart of the Middle East—and they're doing this at a significant savings to taxpayers. The State Department and USAID are requesting only one-tenth of the \$48 billion the United States government spent on Iraq as recently as 2011.

In Afghanistan, our troops are beginning to come home, but our civilian personnel will remain to secure our hard-won gains and help Afghans ensure that their country never again becomes a terrorist safe haven.

Of course, building a stable Afghanistan depends on cooperation with neighboring Pakistan. This relationship is challenging but critical to our national security. We will

continue to support joint counterterrorism efforts, as well as programs to strengthen democratic and civil institutions that provide a bulwark against extremism.

*Third, to build a more peaceful and prosperous world, we are tackling global challenges to human and economic security.* We fund programs to address humanitarian disasters, fight disease, end poverty, and strengthen local food production not only because it's the right thing to do, but also because it's a cost-effective way to advance America's interest in promoting global stability and creating friendly, capable American partners. As part of this effort, our Global Health Initiative is supporting the President's goal of an AIDS-free generation. We will provide life-saving treatment to six million people by the end of 2013 and strengthen health systems to help prevent pandemics in the future. Through our Global Climate Change Initiative we are working to develop clean energy economies, roll back deforestation and help vulnerable countries withstand extreme weather and rising sea levels. This budget also continues the humanitarian assistance programs that saved so many lives when famine struck the Horn of Africa in 2011, and it supports long-term programs like the Feed the Future Initiative that will hasten the day when countries no longer need food aid at all.

*Fourth, we continue to invest in our people and our global presence.* All that we hope to accomplish depends on the women and men who carry out our policies: our ambassadors, management professionals, consular specialists, development experts, political officers, and other civilian professionals. Their service and sacrifice are the core of America's civilian power. To maintain our leadership, we must give our people the training, the facilities and the security that they need to continue to advance America's interests around the world. From our 274 diplomatic posts overseas, our people counter violent extremism, negotiate with friends and adversaries, and engage with the world in countless other ways. Our development professionals tirelessly work with government ministries, civil society and other international donors to deliver sustainable development impact and transformative change. It is from these posts that more than 1,000 State Department economic officers support US exports and attract inward investment to the United States. Our embassies and consulates serve as gateways to tourists and business travelers seeking to visit America. They serve as powerful symbols of democracy, human rights and hope.

As Secretary Clinton said, "This country is an unparalleled force for good in the world, and we all want to make sure it stays that way." Through all the political, economic and technological change of the last 70 years, American leadership has persisted. But that leadership is not a given. It's an achievement and a responsibility.

Keeping America strong takes more than resolve. It takes more than the commitment and dedication of the men and women of the Department of State and USAID. It takes more than wise policy. It takes resources.