Capacity for Change

Reforming U.S. Assistance Efforts in Poor and Fragile Countries

AUTHORS
Noam Unger
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with Frederick Barton

April 2010

BROOKINGS

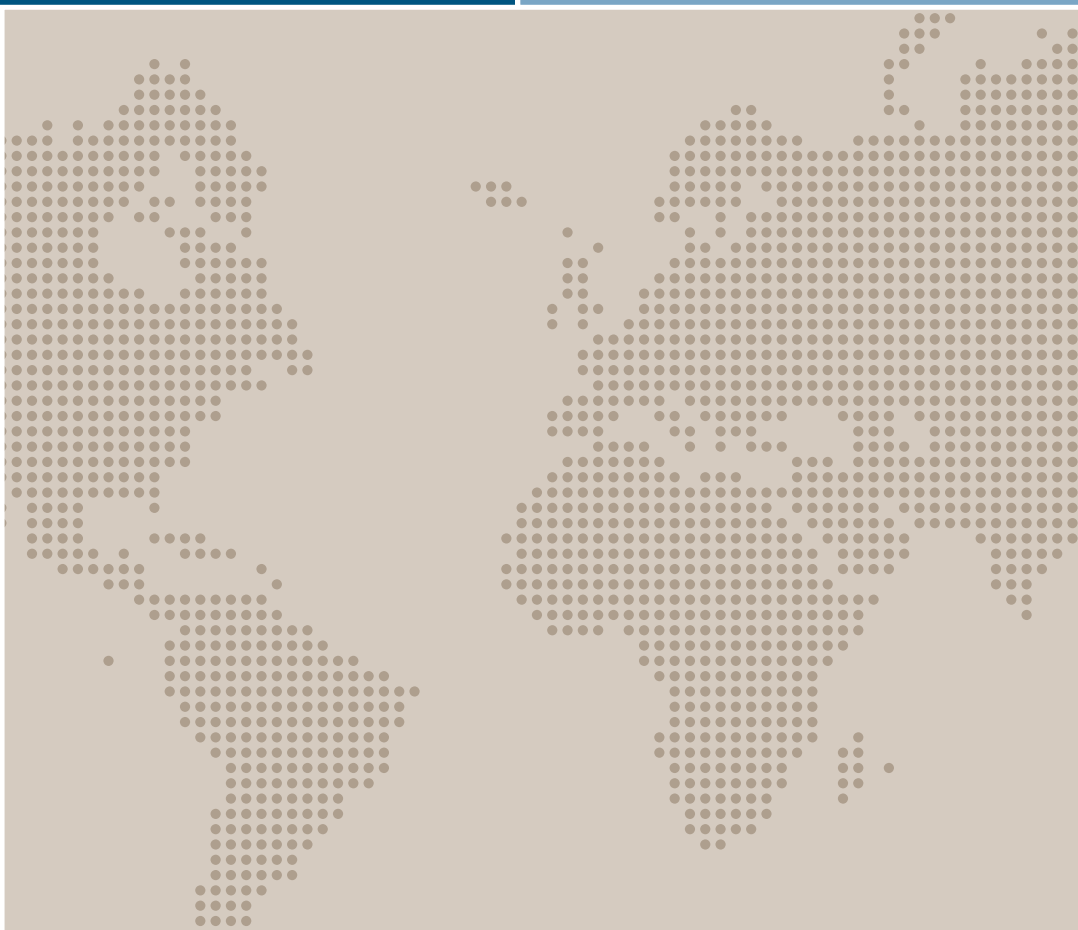CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

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ACKNOWLEDGMENTS

EXECUTIVE SUMMARY

The U.S. government is in the midst of a serious review of how to engage more effectively with developing countries. A significant part of this reflection entails debates about how best to reform foreign aid, and there is a stunningly broad consensus that improvement is needed across the board. New legislation has recently been introduced in the U.S. Congress. The White House, the State Department, the U.S. Agency for International Development, and other federal agencies are fully involved in this issue through Presidential Study Directive–7 on U.S. global development policy (PSD 7) and the first-ever Quadrennial Diplomacy and Development Review (QDDR). The presidential study is poised to look at the full range of U.S. agencies and policy tools that affect development, including trade and international finance along with multilateral and bilateral aid. Meanwhile, the QDDR seeks to assess the capacities and requirements of the Department of State and USAID to confront a new generation of global challenges. Finally, with respect to key questions about foreign assistance and the elevation of development as a strong pillar of U.S. foreign policy, new presidential decisions and policies are expected from the Barack Obama administration in the spring of 2010.

As both a backdrop and an impetus for this high degree of attention to U.S. efforts in poor and fragile countries, in recent years the U.S. military has expanded its responsibilities in countries and regions plagued by poverty and instability. National security leaders—including the president, the secretaries of state and defense, and the head of USAID—have emphasized the need for strengthened civilian capacity to address the challenges of poor and fragile nations. This report is offered in light of this moment of potential reform.

Although the fact that there is a need for a more strategic approach to international assistance supported by stronger civilian capacity is the conclusion that has been resoundingly echoed by numerous bipartisan commissions, task forces, and other experts' reports during the last several years, the resulting discussions have too often focused either only on postconflict stabilization or only on broader, long-term development efforts around the world. Mindful of this frequent separate treatment of stabilization efforts and broader development needs, often by somewhat distinct communities of foreign policy experts, this report instead seeks to bridge the gap. It aims to inform a coherent and effective national approach to both stabilization and broader development.

Even beyond motivations rooted in national values and broader economic interests, it is a critical national security priority to develop effective strategies and strengthen the civilian capacity of the U.S. government to better assist poor and fragile countries. This is true for stabilization in high-priority conflict settings in Afghanistan, Pakistan, Iraq, and Yemen, but it also applies to crisis responses in nations as varied as Haiti and Sudan, and to the longer-term development efforts needed by each of them along with the needs of developing countries ranging from Albania, Bangladesh, and Chad to Vietnam, Zambia, and Zimbabwe.

In these and many other poor and fragile countries, the United States, like other donors, is making substantial commitments and not achieving the desired results. Beyond threats stemming from the combination of radicalization and global terrorism, daunting transnational challenges like climate change, pandemics, and food insecurity are having a particularly large impact on poor countries, increasing their vulnerability with potentially destabilizing effects. Yet no broad strategy has been developed for providing assistance to developing countries that would enable the United States, together with its allies, to address these unprecedented and interwoven foreign policy challenges. Not surprisingly, this nonstrategic approach has resulted in a lack of capabilities to effectively direct and implement assistance, compounding concerns.

This report first examines the context for reform, global trends, and existing capacity gaps and then explores key issues for policymakers and other decisionmakers. It concludes with a set of recommendations and practical next steps, given that an improved capacity to effectively assist poor and fragile countries will come not from a single "silver bullet" idea but rather from a range of sensible, complementary reforms.

The report offers three types of recommendations First, with respect to developing an effective strategy, it recommends that the U.S. government

- Pursue selective bilateral engagement, balanced with leveraged multilateral engagement.
- Pursue specialization and a division of labor among partners in development.
- Establish a National Strategy for Global Development and ensure close alignment between its recommendations and successive Quadrennial Diplomacy and Development Reviews.

Second, with respect to interagency balance and structural changes, it recommends that the U.S. government

- Adopt a unified security budgeting process and increase funding for the State Department and the U.S. Agency for International Development.
- Elevate and empower USAID, beginning with the amendment of PPD-1.
- Divide up and reassign the functions of the Office of the Coordinator for Reconstruction and Stabilization, with interagency coordination responsibilities housed at the National Security Council.
- Craft a civilian-military road map for transferring assistance authorities and responsibilities to civilian agency control.

Third, with respect to institutional changes, it recommends that the U.S. government

- Build up the cadre of technical experts in partnerships and the design, management, monitoring, and evaluation of projects and programs.
- Develop robust policy planning capacities at both the State Department and USAID.
- Prioritize training on assistance issues and preparation to perform assistance functions.
- Transform the executive branch's congressional relations and public communication on assistance issues.

The challenges are great, but the effective and sustainable reform of assistance for poor and fragile countries is possible. Indeed, it is an absolute necessity if the United States and its allies are to begin to meet the threats and opportunities of the twenty-first century.

INTRODUCTION

Developing effective strategies and strengthening the civilian capacity of the U.S. government to better assist poor and fragile countries is a critical national security challenge.[1] This is true for stabilization in high-priority conflict zones, emergency response situations, and development efforts in general.[2]

The United States, like other donors, is making substantial commitments in poor and fragile countries and not achieving the desired results. Daunting global challenges—like climate change, pandemics, and food insecurity—are having a particularly large impact on poor and fragile countries, increasing their vulnerability with potentially destabilizing effects. Yet no broad strategy has been developed for assisting developing countries that will enable the United States, together with its allies, to address these and other complex problems. This lack of a strategy has resulted in largely ad hoc responses to significant challenges, and, not surprisingly, this nonstrategic approach has led to a lack of capabilities to effectively direct and implement assistance.

This report seeks to give policymakers and stakeholders an analytical perspective on the current opportunity to fundamentally improve the U.S. foreign assistance system. In this introduction, we describe the potential moment for reform and the challenges that cross-cutting trends will present to U.S. efforts to assist poor and fragile countries. In section 1, we examine the broad capacity gap that prompts current calls for reform along with some of the U.S. government's recent efforts to build civilian capacity in both the postconflict arena and the broader development assistance field. Section 2 explores the key questions and issues reformers must consider in formulating a plan for modernizing assistance to poor and fragile countries, including how to maximize effectiveness by prioritizing and focusing. Section 3 offers concrete recommendations that bridge strategy and capacity strengthening for both stabilization efforts and broader development initiatives, as well as practical next steps to address existing gaps.

The Ripening Moment for Reform

The United States' continued high-profile engagements in Iraq, Afghanistan, and Pakistan are likely to ensure that these contexts will be the crucibles of U.S. foreign assistance reform, even though

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1. See our workshop report, which draws on input from a range of policy experts and practitioners in the areas of defense, diplomacy, and development and with varying perspectives from the executive branch, Capitol Hill, civil society and the research community. Frederick Barton and Noam Unger, "Civil–Military Relations, Fostering Development, and Expanding Civilian Capacity: A Workshop Report," Center for Strategic and International Studies and Brookings Institution, April 2009, http://www.brookings.edu/~/media/Files/rc/reports/2009/04_development_unger/04_development_unger.pdf.

2. To emphasize complementarities with crisis response, we use development in a broad sense, inclusive of humanitarian aid, postconflict reconstruction, and good governance as well as poverty alleviation and economic growth.

they are not representative of the broader array of U.S. efforts in poor and fragile countries. In fact, the high stakes in each of these challenging environments may provide the political impetus for long-needed changes to the United States' overall aid system. It is in these violent contexts, where U.S. national security and the very lives of U.S. troops and civilians are on the line, that policymakers on Capitol Hill and in the executive branch are being forced to realistically weigh the prospects for truly effective large-scale stabilization and development investments. These policymakers are realizing that such challenges cannot be met with a civilian bureaucracy that is politically weak, incoherent, and fragmented.

Other pressures also point toward the logic in reform. The current global financial and economic crisis arrived on the heels of a prolonged global spike in food prices, and together these events have set back years of gains in the fight against poverty in many countries.[3] Many of these same poorest countries are also already demonstrating their disproportionate vulnerability to the effects of climate change. In the face of these daunting challenges, the White House, key federal agencies, and foreign affairs experts in Congress have begun to show significant interest in strengthening the United States' capacity to more effectively provide assistance in poor and fragile countries.

Several pieces of legislation introduced in the House and Senate aim to spark reforms that would ensure a more strategic approach to development, strengthen the U.S. Agency for International Development (USAID), and make U.S. foreign assistance more accountable. Representative Howard Berman (D-Calif.), the chairman of the House Committee on Foreign Affairs, is actively guiding an initiative to repeal and replace the Foreign Assistance Act of 1961. It is worth noting that despite the partisan atmosphere enveloping other ongoing Capitol Hill battles, Berman's Initiating Foreign Assistance Reform Act of 2009 has a fair show of Republican support.[4] In this regard, the Senate's Foreign Assistance Revitalization and Accountability Act of 2009 was jointly developed by a committed team of Democratic and Republican members and passed out of committee on a bipartisan vote.[5] In addition to pushing this legislative effort, Senator John Kerry (D-Mass.), chairman of the Senate Foreign Relations Committee, had also previously announced his intent to revisit the Foreign Assistance Act of 1961 "to streamline outdated laws and heavy bureaucracy" and to ease the current burden of "confusing directives, reporting requirements, and

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3. See World Bank, "Global Monitoring Report 2009: A Development Emergency," 3, http://siteresources.worldbank.org/INTGLOMONREP2009/Resources/5924349-1239742507025/GMR09_book.pdf; World Bank, "The Implications of Global Crises on Developing Countries, the Millennium Development Goals, and Monterrey Consensus," background paper for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, Doha, Qatar, November 29–December 2, 2008), http://go.worldbank.org/AFM10BV0N0; and United Nations Conference on Trade and Development, Trade and Development Report 2008 (Geneva: United Nations, 2008), http://www.unctad.org/en/docs/tdr2008_en.pdf.

4. In addition to the ongoing Foreign Assistance Act rewrite effort, Chairman Howard Berman (D-Calif.) of the House Committee on Foreign Affairs had already crafted two pieces of legislation that are highly relevant: a bill called the Initiating Foreign Assistance Reform Act of 2009 (HR 2139), which has attracted 125 cosponsors, including 23 Republicans, and a State Department authorization bill that touched on development reform and successfully passed in the House (HR 2410).

5. Senate Foreign Relations Committee chairman John Kerry joined with ranking minority member Richard Lugar (R-Ind.) and senators Robert Menendez (D-N.J.) and Bob Corker (R-Tenn.) to introduce the Foreign Assistance Revitalization and Accountability Act of 2009 (S 1524), which was passed out of the Senate Foreign Relations Committee on November 17, 2009, by a vote of 14–3. At least 15 Democrats and 7 Republicans cosponsored this bill.

procedural roadblocks."[6] Senator Richard Lugar (R-Ind.), the ranking Republican on this committee, has also been publicly outspoken about the critical need to strengthen the capacity of the U.S. government to effectively support development efforts.[7]

At the same time, the State Department has launched its inaugural Quadrennial Diplomacy and Development Review (QDDR) and President Barack Obama has authorized a White House–led interagency study of development policy and implementation across the executive branch, Presidential Study Directive–7 (PSD-7). This study, being undertaken jointly by the heads of the National Security Council (NSC) and the National Economic Council (NEC), is a review that can look across the full range of U.S. agencies and policy tools that have an impact on development, including trade and international finance along with multilateral and bilateral aid. The State Department's QDDR is focused on assessing the capacities and capability requirements of the State Department and USAID to conduct diplomacy and development. Together, these two reviews appear poised to begin the effort of building a more comprehensive strategic vision for the role of foreign assistance in achieving the United States' foreign policy goals. In tandem, they can help align the government's global development strategy and capacity.

A key question is whether these kinds of reform efforts will gain sufficient traction to make a real difference. Given Secretary of State Hillary Clinton's often-reiterated commitment to strengthen development capabilities, along with the president's interest, congressional intent, and the contextual pressures listed above, a sizable push to bolster capacity in one form or other is likely to affect civilian stabilization and development efforts in the remaining years of the Obama administration.[8]

Looming Global Trends and Challenges

The renewed focus on reform is urgently needed, because cross-cutting challenges are creating a new set of realities that all the world's countries will be forced to face in the years to come. Formulating an effective development strategy requires a robust appreciation of the global pressures that will have a major impact on which countries and regions are able to move toward stability and prosperity and which will move in the direction of instability and human suffering.

The interdependence of our world, enabled by technology, ensures that people, goods, services, money, and information travel from one community to another across countries all along the economic spectrum. On the positive side, better information and communication can lead to greater transparency and awareness, improving markets for business and development invest-

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6. Senator John Kerry, remarks at the Brookings Institution, May 21, 2009.

7. A recent example of this is Senator Lugar's January 28, 2010 speech to the Society for International Development, http://lugar.senate.gov/press/record.cfm?id=321891&&

8. Before his first trip to Sub-Saharan Africa less than 6 months into his term, President Obama noted that "even just within the U.S. government, our aid policies have been splintered among a variety of agencies. . . . Trying to create something steady and focused—and always basing our policies on what works and not on some ideological previous position is going to be very important. . . . One of the concerns that I have with our aid policy generally is that Western consultants and administrative costs end up gobbling huge percentages of our aid overall. It seems to me that what we should be doing is trying to minimize our footprint and maximize the degree to which we're training people to do for themselves." Interview by AllAfrica, July 2, 2009, http://allafrica.com/stories/200907021302.html.

ments alike.[9] On the negative side, with globalization and increased interdependence, people worldwide have become more and more vulnerable to a range of transnational threats. Illicit trafficking can expand easily into new markets. Diseases readily cross borders. Biofuel policies and oil prices shaped by events in one part of the world can severely affect people's access to food in another part. Our interconnectedness also provides terrorists with easier opportunities to perpetrate mass destruction. Indeed, security-related challenges—which have been explored in detail by others will continue to feature prominently in discussions about how to improve assistance, as al Qaeda–inspired and other terrorist groups continue to use poor and fragile countries as training grounds and launching sites for violence.

Although the worst global financial and economic crisis since the Great Depression may be easing as the advanced industrial nations claw their way back from the resulting recession, its disproportionate impact on developing countries cannot be ignored. The poorest countries, with the least resilience to cushion such blows, have been hit by the dramatic shrinking of remittances, foreign direct investment, and the demand for exports. In many countries, recent gains resulting from economic growth and reduced poverty have been set way back.[10] The effects of this particularly severe crisis on stability and development will continue to pose a challenge for fragile countries and aid donors for at least several years. The experience also demonstrates a type of globalization-induced vulnerability that will probably continue and possibly worsen.

The global financial and economic crisis poses one set of challenges, while climate change poses another. Experts agree that the effects of climate change are significant, and that countries need to face these challenges in a coordinated way. Such efforts are inextricably linked to poor countries. On one hand, many poor countries are home to great tropical forests, such as those in the Amazon River and Congo River basins, which must be preserved and protected. On the other hand, the negative effects of climate change will have an increasingly disproportionate impact on

9. Advances in information and communication technology mean that knowledge—whether it is a technical lesson learned or timely news of an opportunity—can be captured easily and shared among partners widely and rapidly. This transnational flow of information can also reinforce common values and rights and foster accountability, possibly resulting in curbed corruption and better governance. While major technology gaps do exist between wealthy countries like the United States and the poorest countries in the world, information and communication flows are continually improving. Examples of technological leapfrogging—like high levels of cellphone use in countries lacking traditional telecommunications infrastructure—foreshadow a continuing trend of innovations that could support efforts to reduce poverty and increase stability around the world. For example, in Somalia, cellphone use is widespread despite ongoing fighting and the absence of a central government. Compared with land lines, cell phones require little infrastructure and can be made available almost immediately. While cellphone networks are a neutral technology that can also be put to use by harmful groups, most Somalis with cellphones use them to conduct business more efficiently, make local purchases and perform other financial transactions, and warn others of dangers associated with the ongoing conflict. See "Mobile Phone Banking for Somalia," BBC News, June 15, 2009, http://news.bbc.co.uk/2/hi/8101067.stm; and Idil Osman, "Civil War, Anarchy. . . .Yet Somalia's Mobile Phone Industry Thrives," Voice of America News, August 6, 2009, http://www.voanews.com/english/archive/2009-08/2009-08-06-voa33.cfm?moddate=2009-08-06.

10. World Bank, *Global Monitoring Report 2009: A Development Emergency* (Washington, D.C.: World Bank, 2009), 3, http://siteresources.worldbank.org/INTGLOMONREP2009/Resources/5924349-1239742507025/GMR09_book.pdf; World Bank, "The Implications of Global Crises on Developing Countries, the Millennium Development Goals, and Monterrey Consensus," http://go.worldbank.org/AFM10BV0N0.

poor countries around the world.[11] Many of these poor countries are already demonstrating their particular vulnerability to the increased incidence and severity of natural disasters resulting from flood and drought hazards. The forecast effects of climate change on agricultural productivity and public health serve as the basis for the troubling conclusion that international efforts to combat poverty will be undermined and potentially rendered impotent unless dramatically ambitious new approaches are adopted.[12] As development gains are lost due to extreme climate effects, stability can also fall victim in connection with "climate refugees" and other pressures.[13] As noted recently, "a warmer world will also be a more violent one—exacerbating the hardships and suffering that can breed despair and chaos."[14]

Climate change will also have a severe impact on the availability of clean water. Currently, about 1.4 billion people live in so-called closed river basins where water use exceeds discharge levels, creating severe ecological damage. Symptoms of water stress include the collapse of river systems in northern China, rapidly falling groundwater levels in South Asia and the Middle East,

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11. To fully appreciate the risk differential between developing and developed countries, consider that 98 percent of people affected by climate disasters between 2000 and 2004 were from developing countries. That translates into one in 19 people from the developing world as opposed to one out of every 1500 individuals from OECD member countries. United Nations Development Program, *Human Development Report 2007/2008: Fighting Climate Change—Human Solidarity in a Divided World* (New York: United Nations, 2007), http://www.preventionweb.net/files/2272_hdr20072008summaryenglish.pdf; Presentation by Edward Cameron of the Social Development Department of the World Bank at the Brookings Institution, September 16, 2009.

12. For more on the relationship between climate change and global development, see Lael Brainard, Nigel Purvis, and Abigail Jones, eds., *Climate Change and Global Poverty: A Billion Lives in the Balance?* (Washington, D.C.: Brookings Institution Press, 2009); and United Nations Development Program, *Human Development Report 2007/2008.*

13. Essentially, the poorest nations are most vulnerable to the damage climate change can inflict and, as a result, they may be further bound in poverty and more susceptible to associated social stresses. The ensuing lost livelihoods and insecurity will lead to mass population displacements and conflict. "Climate refugees" or "environmental refugees" are the terms often applied to this displacement. Estimates vary, but a number of estimates show that the number of such individuals who may move, temporarily or permanently, either within their countries or across borders, could reach into the hundreds of millions by mid-century. A recent study by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the Internal Displacement Monitoring Center (IDMC) determined that in 2008, there were 20 million people newly displaced by climate-related sudden-onset natural disasters (a figure that does not even include the number of those displaced by slow-onset disasters, such as drought). For comparison, that number from just one year is equal to roughly half of the total number of people living in forced displacement around the world due to conflict (including refugees and those who are internally displaced). The total number of forced displacements due to conflict was 42 million people in 2008. For more, see United Nations Office for the Coordination of Humanitarian Affairs and the Internal Displacement Monitoring Center, "Monitoring Disaster Displacement in the Context of Climate Change," September 2009, http://www.internal-displacement.org/8025708F004BE3B1/(httpInfoFiles)/12E8C7224C2A6A9EC125763900315AD4/$file/monitoring-disaster-displacement.pdf; and see the testimony of Walter Kälin, representative of the UN secretary-general on the human rights of internally displaced persons and codirector, Brookings-Bern Project on Internal Displacement before the Committee on Migration, Refugees, and Population of the Parliamentary Assembly, Council of Europe, June 24, 2009, http://www.brookings.edu/speeches/2009/0624_internal_displacement_kalin.aspx; and see United Nations Development Programme, *Human Development Report 2007/2008,* http://www.preventionweb.net/files/2272_hdr20072008summaryenglish.pdf.

14. Vinca LaFleur, Nigel Purvis, and Abigail Jones, *Double Jeopardy: What the Climate Crisis Means for the Poor* (Washington, D.C.: Brookings Institution Press, 2009), http://www.brookings.edu/~/media/Files/rc/reports/2009/02_climate_change_poverty/02_climate_change_poverty.pdf.25.

and mounting conflicts over access to water.[15] By 2020, between 75 million and 250 million more people in sub-Saharan Africa could have their livelihoods and human development prospects compromised by a combination of drought, rising temperatures, and increased water stress.[16]

The effects of climate change on agricultural productivity will also mean greater food insecurity. Increasing aridity and climate volatility pose a serious threat, especially in African countries, where agricultural yields could be cut in half by 2020.[17] Future challenges were perhaps foreshadowed by the 2007–2008 spike in global food prices, which created widespread hunger and social unrest. More than 60 riots have erupted around the world since the start of that crisis, which was the result of multiple factors, including biofuel and land-use policies, high oil prices, increased demand in emerging economies for high-input foods, and population growth—along with extreme weather. In this vein, the Obama administration's focus on food security and indigenous agricultural productivity, and the Group of Twenty's recent commitment to these issues, is promising.[18] Improved access to markets (through both trade and infrastructure) will help ensure that future price spikes do not have the same capability to cause shocks to the world's agricultural system.[19]

Finally, climate change is also affecting the prevalence of water-borne and vector-borne diseases. The World Health Organization has drawn attention to studies indicating that as a result of climate change, by 2030 the number of people at risk of malaria could grow by 90 million, and by the 2080s the global population at risk of dengue could rise by 2 billion.[20] In addition, climate-related water stresses are expected to increase diarrheal disease, which currently kills 1.8 million people each year.

Greater levels of assistance will be needed to help poor countries cope with all the climate-related challenges identified here. Estimates vary widely, but some indicate that the additional amount necessary could approach the current total worldwide levels of official development assistance (ODA—roughly $90 billion.[21] Whether this is the case, it is increasingly clear that a

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15. United Nations Development Program, *Human Development Report 2007/2008*, 95.

16. Ibid., 99. Projections show that worldwide, by 2080, 1.8 billion people could face water scarcity in their daily environment. Ibid., 30. In addition, the so-called 100-year flood is projected to occur every 2 to 5 years; at the same time, the "100-year drought" is expected to occur more than once every 10 years. Intergovernmental Panel on Climate Change, "Climate Change and Water: IPCC Technical Paper VI," June 2008, 41–42, http://www.ipcc.ch/pdf/technical-papers/climate-change-water-en.pdf. Even though higher levels of water flow are predicted, these periods will be relatively short. Longer periods of low flow, along with higher temperatures, will increase pollution by sediments, nutrients, pesticides, pathogens, and salts. Algal blooms are expected and, because of low flow, water systems will not be as capable of diluting pollutants. Ibid., 43.

17. We note that the fact that Africa did not benefit as Asia and Latin America did from the Green Revolution—which produced dramatic crop yields using advances in seed genetics and other farming technologies—is of particular concern.

18. White House, Office of the Press Secretary, "The Pittsburgh Summit: Key Accomplishments," September 25, 2009, http://www.whitehouse.gov/files/documents/g20/Pittsburgh_Fact_Sheet_Food_Security.pdf.

19. J. Stephen Morrison and Johanna Nesseth Tuttle, A *Call for a Strategic U.S. Approach to the Global Food Crisis* (Washington, D.C.: Center for Strategic and International Studies, 2008), http://www.csis.org/media/csis/pubs/080728_food_security.pdf.

20. World Health Organization, "Protecting Health from Climate Change," 2009, http://www.who.int/world-health-day/toolkit/report_web.pdf.

21. As noted by the Transatlantic Taskforce on Development, the United Nations Development Program estimates that $86 billion a year (at 2005 prices) will be required by 2015, with $2 billion set aside for disaster response and recovery and the rest almost evenly split between climate proofing investments and building resilience. Gunilla Carlsson and Jim Kolbe, *Toward a Brighter Future: A Transatlantic Call for*

very substantial amount of money will need to be devoted to effective programs to address the effects of climate change, support greater resilience among potentially affected communities in poor and fragile countries, and generally make development investments "climate proof." Sample adaptation measures include improving water management, involving desalination technologies; risk-assessment tools; investments in drought-resistant crops; and the relocation of communities away from floodplains, low-lying regions, and other high-risk areas.[22] It is expected that adaptation funding will increasingly become a major feature of development finance. The United States and other donors have a political incentive to improve the climate resilience of affected countries, because supporting adaptation will encourage capacity building, improve infrastructure, promote economic growth, and thus lead to more stable and prosperous societies.

Even beyond the urgent need to mitigate and adapt to the effects of climate change, as U.S. policymakers work toward the effective reform of assistance for poor and fragile countries, they also need to consider such other trends as urbanization, population growth, and broader global public health crises. In 2009, for example, the H1N1 influenza virus spread quickly around the globe, raising concerns about a pandemic. The growing interconnectedness of the world's communities and the ease of global travel will make detecting and controlling future pandemics a high priority. Major public health issues in the developing world include obstacles to disease surveillance and the timely reporting of outbreaks, poor infection control, and weak health delivery systems. And worst of all, the weakest links in the global health system have the potential to wipe out advances in other countries by breeding more deadly and drug-resistant strains of illnesses. In addition, the global economic downturn will likely have ripple effects on health and social spending, especially in developing countries.[23] Finally, population growth means that by 2030, demand for food will increase by 50 percent, and the demand for water will increase by 30 percent.[24] Clearly, the problems posed by the current global economic setback and farther-reaching trends compound one another. For example, intensive agriculture uses large amounts of water and energy. In the face of such challenges looms the question of what trade-offs will need to be made and whether the U.S. government has the capacity to effectively tackle these kinds of problems.

Renewed Leadership and Partnerships in Global Development, Report of Transatlantic Taskforce on Development (Washington, D.C.: German Marshall Fund of the United States, 2009), 41, http://www.gmfus.org/taskforce/GMF6694_Taskforce_FINAL.pdf.

22. See Kari Manlove, "Helping Vulnerable Countries Adapt to Global Warming," Center for American Progress, April 27, 2009, http://www.americanprogress.org/issues/2009/04/adaptation.html.

23. World Health Organization, "Financial Crisis and Global Health," http://www.who.int/topics/financial_crisis/en/.

24. Stephen Mulvey, "Averting a Perfect Storm of Shortages," BBC News, August 24, 2009, http://news.bbc.co.uk/2/hi/science/nature/8213884.stm.

1 A BROAD CAPACITY GAP

In this section, we explore the broad capacity gap that underlies the current political momentum for reform. For both conflict response and the broader array of development efforts, we highlight recent organizational and programmatic changes and challenges. We then outline the successes and failures of recent U.S. government efforts to build capacity in both the postconflict and broader development setting. This assessment of existing capacities and gaps is a critical first step to successfully aligning U.S. government capacities with any chosen strategy.

Experts tend to agree that a major focus of increased civilian capacity should be U.S. policy and assistance efforts related to poor and fragile countries, including but not limited to conflict zones and failed states.[1] Though recent experiences in Iraq and Afghanistan have drawn even greater attention to post-conflict reconstruction shortfalls, within the larger context the focus on failed states as a threat to global stability has also translated into a rhetorical elevation of development as a preventive pillar of U.S. national security.[2]

This shift in U.S. national security strategy is based on the understanding that stable nations pose fewer security challenges to the United States than their weaker counterparts. Indeed, stable countries with healthy economies serve as better potential partners in the areas of security and trade. Weak and failing states, however, pose serious challenges to U.S. national security, including escalating instability, negligent disease surveillance, terrorism, and other illicit activities ranging from money laundering to trafficking in narcotics and people. Additionally, a state's weakness can often spread to neighboring countries and destabilize entire regions. Thus, there is an increasing consensus that it is in the United States' national interest to minimize such threats by working to improve governance and the rule of law, bolster the economies of such countries, and promote social equity.

A decade ago and perhaps even five years ago, discussions of building up U.S. civilian international affairs capacity were dominated by a focus on postconflict nation building. In fact, the

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1. See our workshop report, which draws on input from a range of policy experts and practitioners in the areas of defense, diplomacy, and development and with varying perspectives from the executive branch, Capitol Hill, civil society, and the research community. Frederick Barton and Noam Unger, "Civil-Military Relations, Fostering Development, and Expanding Civilian Capacity: A Workshop Report," Center for Strategic and International Studies and Brookings Institution, April 2009, http://www.brookings.edu/~/media/Files/rc/reports/2009/04_development_unger/04_development_unger.pdf.

2. See Liana Sun Wilder, "Weak and Failing States: Evolving Security Threats and U.S. Policy," Congressional Research Service, August 28, 2008, http://www.fas.org/sgp/crs/row/RL34253.pdf. Also see U.S. National Security Council, National Security Strategy of the United States of America, 1998 (Washington, D.C.: U.S. National Security Council, 1998); U.S. National Security Council, *National Security Strategy of the United States of America, 2002* (Washington, D.C.: U.S. National Security Council, 2002); and U.S. National Security Council, *National Security Strategy of the United States of America, March 2006* (Washington, D.C.: U.S. National Security Council, 2006), available at http://slomanson.tjsl.edu/NSS_2006.pdf.

reform of postconflict response capabilities was already well under way before the September 11, 2001, terrorist attacks on the United States and major U.S. engagements in Afghanistan and Iraq. In recent years, more and more national security professionals have recognized a capacity gap, and the perceived scope of this gap has expanded.

Within the U.S. government, resources directed toward development have increased, and it is likely that more will continue to be sought.[3] The United States has considerably increased investments in foreign assistance in recent years, with official development assistance roughly tripling, from $9 billion in 1998 to $26 billion in 2008. The Barack Obama administration has committed to significantly scaling up foreign aid, which is still only a tiny fraction (less than 1 percent) of U.S. budget spending.[4] Global development has risen on the agendas of international summits and, beyond the U.S. government, an influential network of organizations—epitomized by the Bill & Melinda Gates Foundation, the Clinton Global Initiative, and the ONE Campaign—have mobilized people and financial resources to pursue poverty reduction in innovative ways and at new and impressive levels.[5]

Reconstruction and stabilization missions in conflict zones, particularly in top-priority countries like Afghanistan and Iraq, still hold the attention of national security analysts when the topic of civilian capacity building arises. But the dialogue has clearly expanded to also include the capacity to reduce poverty, support economic growth, promote global public health, foster better governance, build resilience in communities at risk, and prevent conflict in a broader range of developing countries.[6] Against this backdrop, the problems hampering the effectiveness of the United States' official global development efforts—from policy incoherence, to a lack of coordination, to the human capital crisis at USAID—have drawn increased attention. Today the "civilian capacity" problem is related to stabilization in high-priority conflict zones *and* to development efforts more broadly. The lack of capacity spans many levels and areas—from operational implementation in the field to strategic planning at headquarters, and from staff size and technical expertise to program budgets and authority.

Alongside other reasons for providing assistance to poor and fragile countries (in line with American values and economic interests), the current hope is that increased investments and

3. See U.S. Department of State, "U.S. Fiscal Year 2010 Congressional Budget Justification for Foreign Operations, Released May and November 2009," http://www.state.gov/f/releases/iab/fy2010cbj/pdf/index.htm; and U.S. Department of State, "U.S. Fiscal Year 2011 Congressional Budget Justification for Foreign Operations, Released February 2010," http://www.state.gov/documents/organization/135888.pdf.

4. Senator John Kerry recently described the entire international affairs budget, of which foreign assistance is only a part, as so small that it amounts to a "rounding error." See John Kerry, remarks at the Brookings Institution, May 21, 2009.

5. In the short time since the Clinton Global Initiative was established in 2005, for example, it has convened hundreds of heads of state, chief executives of prominent multinational firms, philanthropists, and civil society leaders, prompting tens of billions of dollars in commitments that affect hundreds of millions of lives. This has also prompted media attention, popular interest in global development, and, at the 2008 annual meeting, in the heat of the presidential campaign, candidates John McCain and Barack Obama each gave a speech clearly linking national security to the global fight against disease and poverty. Obama also embraced the UN's Millennium Development Goals. For more on how a network of newer actors is changing global development, see Lael Brainard and Derek Chollet, eds., *Global Development 2.0: Can Philanthropists, the Public, and the Poor Make Poverty History?* (Washington, D.C.: Brookings Institution Press, 2008).

6. For example, see Barack Obama's campaign strategy paper: "Strengthening Our Common Security by Investing in Our Common Humanity," Obama for America, 2008, http://www.barackobama.com/pdf/issues/Fact_Sheet_Foreign_Policy_Democratization_and_Development_FINAL.pdf.

a strategic approach that leverages all available actors can prevent conflict in many cases, thus obviating the need for large-scale military intervention in far-flung parts of the globe. Such investments will also allow for effective responses when trouble does occur.

The capacity of the U.S. government to support and facilitate various types of interventions in poor and fragile countries—from emergency response, to stability and transitions, to support for sustainable development—will determine whether U.S. engagements with such countries are disjointed and unsuccessful or catalytic and transformational. Adequate capacity would include the ability to effectively and strategically engage in poor and conflict-prone countries in ways that maintain or create political stability, a respect for human rights, and sustained economic growth. Adequate capacity must also include the ability to skillfully access and leverage the existing resources of other institutional actors (e.g., the UN, other donor countries, and the private sector) in both conflict and non-conflict situations.

The U.S. government's capacity to cope with instability and poverty abroad has not kept pace with the considerable need for such assistance. In the face of this capacity gap, and cognizant of an expanded post-9/11 notion of national security, the U.S. military has stepped into unfamiliar roles to promote stability, initially in the post-conflict areas of Iraq and Afghanistan, and later in more permissive environments where the Department of Defense (DOD) forecast that instability or poverty could create conflict requiring military intervention.[7] Regardless of one's view of whether the U.S. military's expanding missions are the right direction for U.S. foreign policy, most experts agree that bolstering civilian capacity—principally at the Department of State and USAID—will help close this broad capacity gap.[8]

Competing Smart Power Narratives

If the U.S. government must somehow strengthen its civilian capacity in relation to engagement in poor and fragile countries, the nature and purpose of this capacity matters. Here our research— involving interviews, focus groups, a workshop, and a literature review—led us to identify two vying narratives in the context of foreign aid reform. On the one hand, some think that DOD has expanded its activities in recent years to fill a gap that could be better and more appropriately filled by civilian agencies (narrative 1). On the other hand, others think DOD has expanded and shifted its activities in recognition of new strategic realities, and civilian agencies need to shift and boost capacity in order to additionally support DOD and this new approach to national security (narrative 2).

These two competing narratives are illustrated in the language used by Secretary of State Hillary Clinton and Secretary of Defense Robert Gates. On the one hand, in her first address at

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7. For example, President George W. Bush and Defense Secretary Robert Gates announced the creation of the U.S. Africa Command on February 6, 2007. Described as "a different kind of command," the Africa Command focuses on the relationships between security, development, diplomacy and prosperity in Africa. It has an integrated staff structure which includes representation by the Department of State, USAID, and other U.S. government agencies involved in Africa. It "seek[s] to incorporate partner nations and humanitarian organizations, from Africa and elsewhere, to work alongside the U.S. staff on common approaches to shared interests." United States Africa Command Web site, http://www.africom.mil/AboutAFRICOM.asp.

8. For a description of the causes and effects of the lack of human capital and capacity at the State Department and USAID and suggestions on how to rebuild those capacities, see Ron Capps, "Drawing on the Full Strength of America," Refugees International, September 2009, http://www.refintl.org/sites/default/files/09_FullStrength.pdf.

USAID as secretary of state, on the topic of military authorities and resources such as the Commanders' Emergency Response Program, Clinton spoke of reclaiming "the authorities and the resources that have drifted elsewhere" (narrative 1). Gates, on the other hand, has characterized DOD's recently expanded roles as "vital and enduring," while calling for a build-up of civilian resources (narrative 2).

Both narratives rely on the fact that DOD has, in fact, expanded and shifted its activities, and each can speak to an imbalance between DOD and civilian international affairs agencies.[9] Each narrative can fit within the overarching theme of "smart power" and better integrating the tools of U.S. statecraft. The first narrative, however, describes an entrenched reliance and overemphasis on military solutions to reconstruction and development challenges. It cries out for a plan to transfer key functions from military to civilian hands. The second narrative paints a different picture, in which the greater capacity required on the civilian side does not displace existing DOD authorities and resources.

Civilian Capacity to Address Conflict and Post-Conflict Settings

The aftermath of the United States' invasions of Afghanistan and Iraq demonstrated the United States' capacity gap in dealing with fragile countries in the context of national reconstruction. Although different in many ways, in each context, following a relatively quick initial military victory, and in the face of insufficient civilian capacity to take the reins, U.S. soldiers trained in war fighting and logistics were asked to engage in stabilization and reconstruction work amid an insurgency. New authorities and additional resources were acquired by DOD to try to address these new responsibilities (see appendix A).

For both Iraq and Afghanistan, civilian agencies did not have adequate numbers of spare personnel to assist in the stabilization and reconstruction efforts. The U.S. armed forces number about 2.2 million, including active duty and reserve personnel.[10] In total, the State Department employs about 18,900 Foreign Service and Civil Service employees, and USAID has about 2,300.[11] The State Department and USAID simply did not have much capacity to meet the demands of postconflict reconstruction in Iraq and Afghanistan. Notably, in 2003, the National Defense University called for the creation of a civilian force to support the military overseas.[12]

In addition, civilian U.S. government personnel lacked the requisite resources to work effectively in Afghanistan and Iraq. Over time, staffing cuts and other factors have required a change

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9. See appendix A for a summary of the expansion of DOD's authority in recent years.

10. See U.S. Department of Defense, "Department of Defense Active Duty Military Personnel by Rank/Grade," February 28, 2009, http://siadapp.dmdc.osd.mil/personnel/MILITARY/rg0902.pdf; and Section 411 of the National Defense Authorization Act for Fiscal Year 2010 (PL 111-84), October 28, 2009.

11. U.S. Department of State, career information Web site, http://www.careers.state.gov/general/about-us.html; U.S. Agency for International Development, "USAID Primer: What We Do and How We Do It," January 2006, http://www.usaid.gov/about_usaid/PDACG100.pdf.

12. See Hans Binnendijk and Patrick M. Cronin, eds., "Civilian Surge: Key to Complex Operations," Center for Technology and National Security Policy, 2008, v–vi, http://www.ndu.edu/CTNSP/pubs/Civilian_Surge.pdf; and Bryan Bender, "No Specifics in Bush's Call for Civilian Service," *Boston Globe*, January 26, 2007, http://www.boston.com/news/nation/washington/articles/2007/01/26/no_specifics_in_bushs_call_for_civilian_service/.

in the way USAID does business. Rather than regularly deploying its own technical experts to the field, or drawing on its in-house expertise for the design of projects, its employees have increasingly engaged in more limited program and project oversight activities. Projects are implemented through grants, contracts, or interagency agreements with various entities—including specialized nongovernmental organizations, international organizations, for-profit contractors, and other agencies of the U.S. government with specialized technical skills. With notable exceptions, therefore, the concrete skills of post-conflict nation building were not the focus of the skill sets of most USAID employees. Similarly, the Department of State is largely staffed with individuals trained in policymaking, diplomacy, and related skill sets—not operational reconstruction activities. Notably, pockets of skills in other agencies—including the Treasury, Justice, Commerce, and Agriculture departments—were called upon to supplement the State Department's and USAID's resources.

The insecurity of operating in Afghanistan and Iraq also made it impracticable to have a large civilian presence. Given the realities on the ground in Iraq and Afghanistan—namely, continued violent attacks by insurgents and rebel groups after formal military combat actions ended—it was (and still is) difficult to think of these areas as truly "post-conflict." This inability to adequately protect civilians, combined with the understandable hesitance of the State Department and USAID to put employees at significant risk, made the idea of sending employees to work in such dangerous environments seem inconsistent with their status as unarmed civilians. The security problem has hampered work by civilians in the two countries for years. Even today, the major factor inhibiting the work of U.S. government civilian employees is their inability to get out into the field due to security concerns.[13]

The budget figures for Iraq and Afghanistan tell an unsurprising story of an imbalance between the resources provided to the military and civilian sides of the U.S. government. Of the $944 billion in budget authority enacted for the wars in Iraq in Afghanistan since 2001, about $888 billion (more than 90 percent) has gone to DOD.[14] These funds have been spent on transporting troops and equipment to the war zone, conducting war operations, supporting deployed troops, repairing and replacing equipment worn out by war operations, combat-related special pay, and the cost of activating reservists and paying them full time. Only a small fraction of this funding makes its way to the local economy in the country. It costs about $1 million a year to send one soldier to Afghanistan, including the cost of the equipment the soldier needs, the fuel to transport the soldier to the country and move him or her around during deployment, and food, housing, combat pay, ammunition and other miscellaneous costs.[15]

By contrast, as of the date of passage of the FY 2009 supplemental war legislation, the State Department and USAID together have received about $51.8 billion since 2001, and those funds

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13. A November 2009 U.S. Government Accountability Office report cited poor security in Afghanistan as having caused delays, disruptions, and even abandonment of certain reconstruction projects. Vital supplies in support of the reconstruction of the Kajaki Dam, one of the two major hydroelectric-power dams of Helmand Province in southern Afghanistan, could no longer be transported by road due to Taliban-initiated attacks and had to be brought in by air. Three engineers working for USAID in Afghanistan resigned because of threats against them and their families. Walter Pincus, "Aid Agency Cites Afghanistan Threats," *Washington Post*, November 12, 2009, http://www.washingtonpost.com/wp-dyn/content/article/2009/11/11/AR2009111127991.html.

14. Amy Belasco, "The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations since 9/11," Congressional Research Service, September 28, 2009, http://www.fas.org/sgp/crs/natsec/RL33110.pdf.

15. Christopher Drew, "High Costs Weigh on Troop Debate for Afghan War," *New York Times,* November 14, 2009, http://www.nytimes.com/2009/11/15/us/politics/15cost.html.

have gone toward not only reconstruction and foreign aid activities but also embassy operations and construction.[16] In short, funding and other decisions during this period have shown that the driving perspective within in the U.S. government has been that the best (many would say the only) way to create security and stability in the country is to sustain the presence of U.S. soldiers rather than seriously seek to create, through civilian development activities, the conditions that would promote disincentives for violence.

The exigencies of the situations in Iraq and Afghanistan, however, have driven some innovations to address capacity gaps, such as the creation of Provincial Reconstruction Teams (PRTs), which were first established in Afghanistan in 2001 as a way to coordinate military officers, diplomats, and reconstruction subject matter experts in the field in order to provide assistance to empower local governments to govern effectively.[17] The PRTs were originally intended to be interim structures to improve stability until traditional development efforts could begin. Today, there are 31 PRTs functioning in Iraq and 26 in Afghanistan. In Iraq, PRTs are headed by U.S. government civilians reporting to the State Department. In Afghanistan, PRTs are headed, for the most part, by military officers, including those of other NATO allies. Coordination among the various PRTs is spotty, and they tend to engage in short-term, quick-impact projects rather than the larger kinds of investments needed for sustainable, long-term development. As with other innovations, the results of the PRT experiment have been mixed, and there is no agreement that the PRT is an effective concept worth replicating in its current form.

Another innovation was the State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS), created in July 2004 by Secretary of State Colin Powell.[18] The office's core mission is to "coordinate and institutionalize U.S. government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife so they can reach a sustainable path toward peace, democracy and a market economy."[19] Among other tasks, S/CRS manages the nascent Civilian Response Corps, which is part of the Civilian Stabilization Initiative (CSI). Specifically authorized by Congress in October of 2008,[20] the Civilian Response Corps has three components: the Active Response Corps (ARC); the Standby Response Corps (SRC); and the Civilian Reserve Corps (CRC).[21] Congress

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16. Belasco, "Cost of Iraq, Afghanistan."

17. U.S. Government Accountability Office Letter to Congressional Committees, "Provincial Reconstruction Teams in Afghanistan and Iraq," October 1, 2008, http://www.gao.gov/new.items/d0986r.pdf.

18. The S/CRS was subsequently endorsed by the Congress in the Consolidated Appropriations Act of 2005, signed by the President in December 2004. The S/CRS facilitates implementation of National Security Presidential Directive 44 (Management of Interagency Efforts Concerning Stabilization and Reconstruction) of December 7, 2005. For background and other analysis, see Dane F. Smith Jr., *An Expanded Mandate for Peacebuilding: The State Department Role in Peace Diplomacy, Reconstruction, and Stabilization* (Washington, D.C.: Center for Strategic and International Studies, 2009), 18–24, http://csis.org/files/media/csis/pubs/090423_smith_expandedmandate_web.pdf.

19. U.S. Department of State, Office of the Coordinator for Reconstruction and Stabilization Web site, http://www.state.gov/s/crs/. The office consists of a central headquarters focused on planning and preparation of civilian capabilities and networks of officials from other agencies, including DOD. Currently, it is composed of an approximately 130-member interagency staff.

20. See Sections 1605–1608 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (PL 110-417), October 14, 2008. The legislation calls the first two active and standby components the "Response Readiness Corps" and the third component the "Civilian Reserve Corps."

21. The Standby Response Corps consists of current U.S. government employees employed by an agency for a specific job, but who are also trained to deploy on 30 days' notice for reconstruction and stabili-

has appropriated funds for only the first two components but, notably, not at the levels requested. In Fiscal Year (FY) 2009, $140 million was made available for the State Department and USAID—more than $108 million less than was requested by the Obama administration.[22] For FY 2010, the State Department and USAID requested an additional $323 million for these two components, but they only received $150 million.

The third component, the CRC, has yet to be funded at all, despite repeated requests by the administration. The FY 2010 Conference Report states that "the conference agreement does not include a provision prohibiting the use of funds to establish a Reserve component of the [Civilian Response Corps]. However, the conferees direct that no funds be made available for this purpose."[23] The Senate Report for the FY 2010 State Department and USAID appropriations bill indicates that "the Committee does not recommend funding for a Civilian Response Corps Reserve Component. The Committee will consider such funding after the [Civilian Stabilization Initiative] has established a record of effective operations, and can demonstrate programmatic accomplishments."[24]

As explored more fully in section 2, although opinions are mixed, most experts agree that after more than five years of ardent and dedicated work, it is still unclear whether S/CRS's efforts are making a significant difference on the ground.[25]

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zation operations. Missions may cover security, justice and reconciliation, economic stability and infrastructure, refugees, and governance and participation. The Active Response Corps is a team of U.S. government-employee "first responders" who can deploy on 48 hours' notice to "austere environments" and combat zones to support a U.S. mission or military operation, coordinate with international partners, and conduct assessments in the field. If funded, the CRC would be civilian equivalent of the military reserves except that, under current authority, civilians participating in the CRC would not have reemployment rights upon return from deployments. It would draw on civilians employed outside of the federal government with critical skills "either absent in the federal workforce, or present in insufficient numbers." Civilian Reservists would apply their expertise in public administration, justice and security, transitional economics and governance, energy, transportation, public affairs, education, health care, and other sectors. U.S. Department of State, Office of the Coordinator for Reconstruction and Stabilization Web site, http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4B5C.

22. A total of $65 million was made available in the Supplemental Appropriations Act, 2008 (PL 110-252), June 30, 2008, and $75 million in the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2009 (Div. H, PL 111-8), March 11, 2009.

23. Conference Report accompanying the Department of Transportation and Department of Housing and Urban Development and Related Agencies Appropriations Act, 2010 (HR 3288), Report 111-366, December 8, 2009.

24. Report of the U.S. Senate Committee on Appropriations accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Bill, 2010 (S 1434), Report 111-44, July 9, 2009.

25. Some commentators are quite pointed in their criticism. Recently, retired General Anthony Zinni suggested that the civil affairs functions within diverse U.S. military units be organized comprehensively in their own Civil Affairs Command under the Pentagon. He indicated that the diplomatic bureaucracies were not up to the task of getting beyond rhetoric on "smart power" and suggested that some State Department and USAID personnel and functions be co-located with the new DOD Civil Affairs Command. Remarks at the New America Foundation, September 1, 2009. A response by the State Department took the form of a guest "note" offered by Jeffrey Stacey, a Franklin Fellow in the Department of State's Office of the Coordinator for Reconstruction and Stabilization, and approved by the Department of State. Jeffrey Stacey, "Department of State Responds to General Anthony Zinni's 'Smart Power' Proposal," *Washington Note,* September 25, 2009, http://www.thewashingtonnote.com/archives/2009/09/department_of_s/.

The most recent measure to address capacity gaps in this area is the so-called civilian surge occurring in Afghanistan.[26] The State Department sought to fill 974 Afghanistan-based civilian development positions by the end of 2009, compared with 310 a year earlier. Ambassador Karl Eikenberry, a former lieutenant general in the U.S. military, together with Anthony Wayne, the coordinating director for development and economic affairs in the U.S. Embassy, are managing the civilian-led development strategy for Afghanistan, including recruitment of civilians to staff the surge, design and implementation of programs, and oversight of all nonmilitary projects.[27] It is worth noting that at least some, and perhaps many, of these civilian roles may actually be filled by military or former military personnel.[28] The "surge" will almost certainly be viewed as a test case for whether civilian-led development in post-conflict regions can be successful.

Civilian Capacity beyond Conflict Response

The "civilian capacity" problem in Iraq and Afghanistan has been, in many ways, a symptom of a larger, preexisting problem with the U.S. government's broader development assistance efforts.[29] This gap spans a wide range of assistance functions and institutions, and a select few are explored in more detail below, including human capital issues and training capacity generally, along with major organizational and programmatic shifts under the George W. Bush administration and other programs that may offer lessons.

Human Capital and Training

One major concern is the lack of expert staff at USAID, including technical capacity to appropriately design, monitor, and evaluate programs and projects. In 1990, USAID had 181 agriculture specialists; as of April 2009, it had 23. Senator Dick Durbin (D-Ill.) stated in April 2009 that "USAID today doesn't have enough agriculture experts—or water experts, or engineers, or any of the other professionals it needs—to really make substantial, sustainable gains in the fight against global hunger and poverty."[30]

Whether sector-specific technical work at the project level needs to be performed by U.S. government employees or whether those roles are more effectively filled by contractors is an issue worthy of study on a sector-by-sector basis. In recent years, contractors have been the favored way to provide assistance, despite evidence that obtaining services using contracting is often more

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26. This effort is widely called a civilian "surge," but the State Department recently made clear that it prefers referring to the effort to as an "uplift."

27. Jacob Lew, deputy secretary of state, "Briefing on Progress Made in Civilian Hiring in Afghanistan, Department of State, Washington, D.C., October 26, 2009," http://www.state.gov/s/dmr/remarks/2009/123025.htm.

28. Karen DeYoung, "Reservists Might Be Used in Afghanistan to Fill Civilian Jobs," *Washington Post,* April 23, 2009, http://www.washingtonpost.com/wp-dyn/content/article/2009/04/22/AR2009042203821.html.

29. To emphasize complementarities with crisis response, we use development in a broad sense, inclusive of humanitarian aid, postconflict reconstruction, and good governance, as well as poverty alleviation and economic growth.

30. Richard J. Durbin, "Addressing the Global Food Crisis," remarks prepared for delivery in the U.S. Senate, April 7, 2009, http://durbin.senate.gov/showRelease.cfm?releaseId=311376.

expensive than employing civil servants to do the same tasks.[31] In any event, there must at least be enough technical expertise on staff in these areas to make sure that the United States is pursuing the best projects—rather than the projects advocated most forcefully by grantees and contractors with particular capacities—and that projects are being designed and implemented in the best technical way possible, with the best interests of the U.S. taxpayer in mind.[32]

Despite the fact that most U.S. bilateral development and stabilization assistance is provided to foreign governments and populations through contracts, cooperative agreements, and grants to third-party implementers, the lack of capacity to manage such funding instruments is surprisingly acute. As noted above, the United States has considerably increased its investments in foreign assistance in recent years, with official development assistance roughly tripling from $9 billion in 1998 to $26 billion in 2008. Simultaneously, since the 1990s, the number of professional USAID staff has fallen by one-third. The result is that between 1998 and 2006, aid disbursement per USAID staff member grew by 46 percent, to $2 million.[33] But even this statistic does not capture the severe reality, because only a subset of USAID employees is actually vested with the authority to make decisions about large financial commitments and to sign contracts. As one senior USAID official put it, "We used to have several times as many officers managing fewer funds in fewer countries."[34] On top of these increases, the Obama administration has indicated a commitment to significantly scaling up foreign assistance spending. More and bigger contracts, without additional contracting officers, have led to less accountability for U.S. taxpayer funds.

At the State Department, the contracts and grants administration function was so under-resourced—with not enough grants and contracting officers to manage the number of such documents that were needed—that in February 2008, to pay for administrative activities, the undersecretary for management authorized the creation of a "working capital fund," which is financed with a transfer of 1 percent of the total value of each grant or contract. Thus, rather than seeking more operational funds from Congress to cover these overhead costs, funds appropriated specifically for foreign assistance activities and intended to benefit foreign populations are instead being redirected by the State Department to its severely underfunded grants and contracts management function.

Another major concern is that a lack of human capital severely limits the opportunities to train U.S. civilian government personnel. Military personnel systems have a comparatively generous number of built-in training allowances that make it possible for most positions to be filled while another officer is in long-term training. By contrast, USAID and the State Department have

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31. Allison Stanger, *One Nation under Contract* (New Haven, Conn.: Yale University Press, 2009), 94–98.

32. Stanger quotes Philip Zelikow, a former special assistance to Condoleezza Rice and executive director of the 9/11 Commission as saying, "while the [State] Department cannot and should not do all of this work itself, it must become more than just a general contractor, with little in-house expertise or field capability of its own. Managing this work is challenging and we need expertise in-house to guarantee its professionalism, and to internalize and apply best practices." Ibid., 82.

33. Lael Brainard, ed., *Security by Other Means: Foreign Assistance, Global Poverty, and American Leadership* (Washington, D.C.: Brookings Institution Press and Center for Strategic and International Studies, 2006), 46–47.

34. This quotation emerged from an interview conducted as part of our workshop report, which drew on input from a range of policy experts and practitioners in the areas of defense, diplomacy, and development and with varying perspectives from the executive branch, Capitol Hill, civil society and the research community. See Barton and Unger, "Civil-Military Relations."

chronic personnel shortages—because unfunded important posts lie vacant, usually in the poorest countries. This lack of personnel to perform pressing operational functions leaves little room for a truly robust culture of training and preparation. Training for the civil service is often viewed as an inconvenience for the offices left high and dry, even if the training course lasts only a few days.

In terms of sheer labor power, the U.S. military has no less than six war colleges dedicated to training and education activities, and at any one time there are approximately 8,100 officers dedicated to training full time (i.e., 6,850 officers receiving training from 1,250 instructors). This figure does not even include the resources devoted to non-officer training. By contrast, the Foreign Service Institute, the primary training facility for the Department of State and other agencies on international and foreign engagement issues, has a total staff of about 600 (including all instructors and support personnel). Much of USAID's training is done by Internet-based distance learning and, generally, employees are expected to complete training on top of their work functions. The most common long-term (4–8 months) training in which USAID personnel engage is language training before foreign deployment, and other long-term training opportunities are extremely limited and small in number.

With respect to assistance issues in particular, there is a negligent lack of resources dedicated to creating and providing training in strategic planning and the design, implementation, and oversight of assistance programs. The number of courses offered by the Foreign Service Institute on assistance issues is not adequate to meet the informational needs of the Foreign Service, and the way training is generally structured—according to Foreign Service career tracks—is not well suited to address an issue as interdisciplinary as foreign assistance.

Significant Shifts under the George W. Bush Administration

One major change within the U.S. government's civilian agencies, which sought to address the lack of capacity to coordinate assistance programming, was the creation of the Office of the Director of Foreign Assistance by Secretary of State Condoleezza Rice in 2006. The Director of Foreign Assistance (F) was created as a deputy secretary–level position in the Department of State, although it does not exist in law and is not subject to confirmation by the Senate. Through the end of the George W. Bush administration, the person filling this position was "dual-hatted" as the administrator of USAID. It put the State Department and USAID's foreign assistance funding streams under the control of one person, who reported directly to the secretary of state. The launching of the F initiative, with only two years left in the Bush presidency, was a late acknowledgment of the deleterious fragmentation of U.S. foreign assistance. The goal was to make the assistance priorities and programs across the U.S. government more rational, strategic, and coordinated, but in reality the authority and funds associated with the position of director were limited to those of the State Department and USAID. Views about whether F has been a successful endeavor are at best mixed, and it has been widely criticized for centralizing decisionmaking to a degree that disempowers field missions. Though the future of F is somewhat unclear at this point, the Obama administration departed from the dual-hatting model when, in late 2009, it appointed Rajiv Shah to be administrator for USAID without having him fill the F position.

The main outputs of the Office of the Director of Foreign Assistance have been (1) formulation of budget recommendations for foreign assistance programs funded by the State Department and USAID; and (2) lengthy country plans intended for internal planning purposes (but often not actually used that way by bureaus and embassies). Opinions differ on whether budget recommenda-

tions are more rational and strategic now than they were before the creation of F. At present, there is still no overarching rationale for why the United States spends $75 million on border security assistance in Bangladesh and $6.3 million on basic education in Kenya.[35]

To whatever extent a more rational, strategic, and coordinated approach has been achieved, it has been only with respect to funds appropriated to the State Department and USAID. However, myriad other federal entities also receive appropriated funds to engage in assistance or activities that are closely related to assistance in foreign countries—including, but not limited to, the Defense, Treasury, Agriculture, Health and Human Services, and Labor departments; the Millennium Challenge Corporation; the Inter-American Foundation; the African Development Foundation; the Peace Corps; the Export-Import Bank; the Overseas Private Investment Corporation; the U.S. Trade and Development Agency; and the Broadcasting Board of Governors. There is no one agency or department head that has the responsibility to fully coordinate and rationalize all such programs of the U.S. government.

In fact, it has often been a challenge for the State Department or USAID to gather even basic information about the full range of assistance by all U.S. agencies to a country.[36] Even in exigent circumstances—like a coup that triggers the cutoff of aid under U.S. domestic law—the National Security Council is routinely called upon to persuade other agencies of the U.S. government to provide accurate and timely information to the State Department. In short, the F structure has not produced a unified strategic vision for U.S. foreign assistance that rationalizes all U.S. government funding sources and implementing mechanisms and aligns them with the United States' foreign policy goals.

In addition, because F has focused almost exclusively on the budget formulation portion of the foreign assistance process, that office has offered little guidance to the bureaus of the State Department and USAID or other agencies on vexing cross-cutting implementation issues. Two examples of such issues include how to address the problem of foreign governments' taxation of U.S. assistance and how to ensure that U.S. government employees and implementers who are stationed in a foreign country have appropriate privileges and immunities regardless of what agency or program they support. Currently the function of addressing cross-cutting implementation issues is not being fulfilled, or is being fulfilled in an ad hoc manner.

An earlier innovation was the Millennium Challenge Corporation (MCC), which was launched in 2002 and established in law in 2004 as an independent government corporation, separate from both USAID and the State Department. The MCC's assistance model is predicated on several sensible notions: that countries can be ranked on the basis of objective indicators in order to decide which should get assistance within a performance-awarded approach; that it is possible to create incentives for political leadership in poor countries to make reforms in areas that form the bases for peaceful, democratic, market-based societies; and that there is an inherent contradic-

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35. U.S. Department of State, "U.S. Fiscal Year 2011 Congressional Budget Justification for Foreign Operations."

36. For example, as of 2007, the U.S. government did not have a publicly available resource indicating how much U.S. taxpayer funds were being used to provide assistance to Pakistan across all U.S. government agencies and entities. In response to tables and figures outlining such information given by Craig Cohen, *A Perilous Course: U.S. Strategy and Assistance to Pakistan* (Washington, D.C.: Center for Strategic and International Studies, August 2007), http://csis.org/images/stories/pcr/070727_pakistan.pdf, the authors received input from individuals in various agencies of the U.S. government, some indicating they thought the figures were too high, and other indicating they thought the figures were too low.

tion in addressing long-term development issues through the one-year budget horizon and planning process that currently characterizes most U.S. foreign assistance spending. The MCC's model directs that support for the sustainable development of a country's economy and institutional capacities will take place during a period of up to five years, with a set spending limit, and according to a comprehensive and consultation-based plan agreed to in writing by both parties.[37]

The leadership team of the MCC, now headed by recently appointed chief executive Daniel Yohannes, does need to address implementation speed bumps that have hampered the success of the MCC program—most notably, an insufficient ability to get programs started and large funding amounts out the door. As of July 2008, Congress had appropriated $7.5 billion for the MCC, but only $235 million had been disbursed of which a significant portion was for administrative expenses. As a result, significant congressional support for additional MCC country compacts waned, pending proof of "sustainable results."[38] In FY 2009, the Senate Appropriations Committee recommended just $254 million for the MCC. The final amount appropriated in FY 2009, $875 million, was still well below the $2.23 billion the administration requested.[39] Despite these resource constraints, the advent of the MCC has added new capacity to U.S. global development efforts and, beyond implementation issues, the MCC could now benefit from greater strategic clarity regarding its relationship with other U.S. foreign assistance instruments.

Another first-term shift in aid programming under the Bush administration that represented a bold reform yet exacerbated the fragmentation of the overall system was the President's Emergency Plan for AIDS Relief (PEPFAR), which was developed quickly in 2003 as a signature initiative to first provide $15 billion in aid over five years—the largest commitment by any country to combat a single disease in history. PEPFAR was launched only a year after the creation of the multilateral Global Fund to Fight AIDS, Tuberculosis, and Malaria as a strongly bilateral approach that passed rapidly through Congress, propelled by a combination of factors—including the evident pace of the HIV/AIDS epidemic, the desire for a counterbalance to the United States' militarized post-9/11 foreign policy, the strong backing of the nation's religious conservatives, bipartisan congressional support, and presidential commitment.[40] PEPFAR was intentionally housed at the State Department and not at USAID, with the idea that it would be more closely tied to the highest levels of U.S. foreign policymaking, and it was also specifically designed to start up and demonstrate results quickly, with mass targets for the number of people in focus countries receiving care and antiretroviral treatments as well as the number of infections prevented.

PEPFAR is widely viewed as successful, because it has achieved measurable results and has driven an international surge in support of HIV prevention and treatment that is saving the lives of millions of people around the world. This extraordinarily well-resourced program, however, concerns international aid and health experts because it is narrowly focused and financially demanding and thus appears unsustainable and in need of greater connection to a coherent and co-

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37. Although the MCC program is intended to build institutional capacity, promote good governance, and create sustained economic growth, there is no guarantee that the MCC model successfully insulates countries from political instability, as evidenced by the recent military coups in Madagascar and Honduras—the first and second countries to sign MCC compacts.

38. "Statement of Senator Patrick Leahy on Millennium Challenge Corporation," Senate Floor, November 19, 2008, http://leahy.senate.gov/press/200811/111908c.html.

39. In FY 2010, the administration requested $1.425 million, and Congress appropriated $1.105 billion.

40. J. Stephen Morrison, "What Role for U.S. Assistance in the Fight against Global HIV/AIDS?" in *Security by Other Means, ed. Brainard*, 67–91.

ordinated overall approach to global public health and development assistance.[41] The United States already spends more than $8 billion annually on global public health efforts, most of which is focused on HIV/AIDS, and this amount is projected to grow. A key question is the extent to which this focus should define U.S. foreign assistance in the affected countries and how it compares with other priorities in those countries and globally. PEPFAR's mandate was renewed by Congress, which in 2008 authorized the use of up to $48 billion through 2013 for global efforts to combat HIV/AIDS, tuberculosis, and malaria. More recently, the Obama administration has maintained support for this legacy of the Bush administration, appointing Eric Goosby to direct PEPFAR. The Obama administration has framed the program within a broader six-year, $63 billion global health initiative that seeks to be more comprehensive while maintaining PEPFAR as its dominant focus.

Lessons from Other Elements of the U.S. Aid System

To be sure, many established programs of the State Department, USAID, and other federal agencies are achieving good results. For instance, USAID's Office of Foreign Disaster Assistance has an excellent track record due to its focused mission, experienced staff, and measurable and tangible outcomes. And the State Department's Bureau of Population, Refugees, and Migration emphasizes a multilateral approach as it conducts a range of diplomatic and programmatic activities that play an essential role in the U.S. government's efforts to address the full cycle of complex emergencies. These and other programs have the relative advantage of addressing results-oriented issues in the areas of emergency humanitarian assistance that, like PEPFAR and other global health assistance programs, are easier to account for and measure in a short span of time than many other programs. These offices use a range of well-defined performance measures to gauge humanitarian impact, assess progress toward strategic priorities, and ensure accountability. They also have a singularity of focus that allows for clear goals and messaging. As a result, these offices tend to attract State Department and USAID employees interested in these subjects, and substantial skills and experience in these areas have been accumulated over time.

Others programs are considered successful due to the degree to which they are perceived as a potentially useful resource. For example, U.S. ambassadors to countries in transition tend to reach out readily to USAID's Office of Transition Initiatives (OTI) due to its proven record of achieving positive results in particular countries.[42] Since its inception 15 years ago, OTI has served as

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41. It would be politically impossible to cease the PEPFAR-funded treatment that sustains more than 2 million people infected with HIV/AIDS, a virus for which no cure yet exists; yet the political viability of maintaining a permanent global entitlement program funded by American taxpayers is also in question. To help recipient countries take on the burden of this entitlement, however, requires significantly greater efforts to build up the health infrastructure in those countries, as do other pressing goals of global public health assistance. The resources to do so may not be forthcoming. For more on this, see Laurie A. Garrett, "The Future of Foreign Assistance Amid Global Economic and Financial Crisis: Advancing Global Health in the U.S. Development Agenda," Council on Foreign Relations, January 2009, http://www.cfr.org/publication/18167/.

42. Samuel R. Berger and Brent Scowcroft, *In the Wake of War: Improving U.S. Post-Conflict Capabilities* (New York: Council on Foreign Relations, 2005), 25. The Center for Global Development recommended that the U.S. government "establish a rapid response unit staffed with a cadre of technical experts for engagement in transitional and post-conflict environments . . . modeled on USAID's successful Office of Transition Initiatives but . . . broader in scope." See Stuart E. Eizenstat and John Edward Porter, "On the Brink: Weak States and U.S. National Security," Center for Global Development, June 8, 2004, appendix A, http://www.cgdev.org/doc/weakstates/WeakApp.pdf. The Carnegie Endowment for International Peace cites "the positive experience of the Office of Transition Initiatives shows that a determined effort to streamline

a laboratory within USAID for trying innovative approaches to development.[43] In 2006, a report by the Institute for Defense Analyses concluded that OTI's field teams are able to provide "on-the-ground, fast, flexible, and catalytic short-term assistance that promotes movement toward political and social stability and democracy."[44] In Iraq, OTI "immediately grasped the need to put large numbers of Iraqi men to work and refined the mechanisms to do it virtually anywhere in the country on literally a few hours' notice," earning the praise and thanks of the military officers working there.[45]

With respect to coordination, the Office of the Coordinator of U.S. Assistance to Europe and Eurasia (ACE), in the State Department's Bureau of European and Eurasian Affairs, offers important lessons. Having been created after the fall of the Soviet Union, ACE coordinates all assistance and public diplomacy programs for the states of the former Soviet Union, Central Asia, and the Balkans. Because ACE was established at a time of great concern about the stability of these regions, it was legislatively given the authority and resources to coordinate all U.S. assistance programs in them, including adequate staffing and comparatively robust expertise regarding how both development and security assistance programs are developed, funded, and implemented. As a result, U.S. assistance programs have played a vital role in many of the countries of these regions. This support may even have been a significant factor in the successful political and economic turnaround in some of the countries—11 of the 29 original recipient countries have "graduated" from U.S. assistance programs. Additionally, when dramatic geopolitical events have arisen, as has recently occurred in Kosovo and Georgia, ACE has been able to mobilize the use of resources across U.S. agencies, international organizations, and other bilateral donors to address the resulting issues.

Though not perfect, and perhaps not applicable to every regional context, the experience of ACE shows that unity of leadership with respect to both the operational and policy sides of the assistance equation, along with adequate personnel resources, can help create the circumstances for transformational engagements that allow for the success and subsequent withdrawal of U.S. assistance. And the fact that ACE is understood to be a relatively influential and high-profile operation among those working on Europe and Eurasia adds to its ability to both support and influence policy decisions and attract talented personnel.

Clearly, there are a number of factors associated with the success of various programs and organizations. Though it is apparent that no silver bullet will emerge, effective offices and programs

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procedures can work." Thomas Carothers, *Revitalizing Democracy Assistance* (Washington, D.C.: Carnegie Endowment for International Peace, 2009), 32. http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=24047. As noted in the "About the Authors" section of this report, Frederick Barton served at USAID from 1994 to 1999 and was the founding director of the Office of Transition Initiatives. A bipartisan taskforce with the Council on Foreign Relations recommended expanding OTI.

43. A Congressional Research Service report found that "in its 15 years in operation, OTI has served . . . as a laboratory within USAID to try innovative approaches to development." Marion Leonardo Lawson, "USAID's Office of Transition Initiatives after 15 Years: Issues for Congress," Congressional Research Service, May 27, 2009, 7, http://www.fas.org/sgp/crs/row/R40600.pdf.

44. Martin A. Lidy, David J. Baratto, Daniel Langberg, and William J. Shelby, *A Snapshot of Emerging U.S. Government Civilian Capabilities to Support Foreign Reconstruction and Stabilization Contingencies* (Alexandria, Va.: Institute for Defense Analyses, 2006). http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=44F7.

45. James Stephenson, "Military–Civilian Cooperation: A Field Perspective," *Foreign Service Journal*, March 2006, 58, http://www.afsa.org/fsj/mar06/milcivcoop.pdf.

should continue to be examined so that the particular elements that make them successful can be adapted and incorporated into the plan for reforming U.S. government assistance. And these effective efforts can thus be refined and replicated as civilian labor power is developed and coordinating mechanisms are restructured and bolstered.

Toward an Effective Strategy

Given the significant problems with the post-invasion period in Iraq and the continuing challenges in Afghanistan, it is difficult to imagine another sustained large-scale U.S. invasion or stabilization deployment in the next few years.[46] Moreover, there is a growing reluctance to use military assets for long-term nation building given current budget constraints.[47] Therefore, to address conflict and post-conflict stabilization in new priority situations as they emerge, it is likely that the U.S. political system will seek lighter footprints, rapid exits, and clear long-term benefits. As a result, more short-term, contingent operations and civilian-led development and reconstruction efforts with U.S. allies and partners are likely to be the norm. An effective strategy for U.S. foreign assistance efforts must take all this into account, and the capacities of the nation's civilian international affairs agencies must be aligned accordingly.

With respect to foreign assistance that is focused less on immediate stabilization and more on sustainable poverty reduction and long-term growth, there are some signs that, politically, the United States is starting to recognize the value of providing solutions-oriented support with an expanded time horizon. Politics aside, it is no surprise that putting cheaper, short-term assistance Band-Aids on problems that really are the symptoms of systemic issues only leads to recurring problems and unending engagement. Similarly, there is an increasing recognition that creating unsustainable dependencies on U.S. aid does not lead to transformational and catalytic engagement and may cost more in the long run. The hope is that the new approaches now being tried will lead, in the long run, to the ability of the United States to transition its engagement away from that of just supplying aid as a donor, because the country receiving assistance is in reality a partner capable of gaining strength and in due time sustaining its own progress.

The Obama administration's initiative to reorient food security efforts so that they focus on agricultural productivity rather than predominantly on emergency food aid is one nascent example. At the Group of Twenty's Summit in London in April 2009, President Obama announced his intention to double U.S. agricultural development assistance in 2010, to more than $1 billion, and to provide at least $3.5 billion over the next three years.[48] Perhaps more significantly, however, this initiative seeks to help people grow, buy, and sell the food they need, instead of focusing primarily on emergency food aid in times of crisis. Under the current model, shortages are addressed on an emergency basis by purchasing food from U.S. farmers and shipping it to needy people in foreign countries. The administration's change in focus thus entails not only a serious financial commitment but also a willingness to change the status quo and, more important, a potential willingness

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46. At the same time, the need for peacekeeping remains and will continue to be great, and the primary response is likely to be an overburdened UN, which now has operations in 20 or so countries.

47. This reluctance played out in the 2009 controversy over strategy and troop levels in Afghanistan. See President Barack Obama's speech on Afghanistan, delivered at West Point on December 1, 2009.

48. White House press release, "Food Security: Investing in Agricultural Development to Reduce Hunger and Poverty," July 10, 2009, http://www.whitehouse.gov/the_press_office/Food-Security-Investing-in-Agricultural-Development-to-Reduce-Hunger-and-Poverty/.

to buck the powerful U.S. agricultural and shipping industries that profit under the current system at the expense of more efficient and effective food aid. In addition, in announcing the initiative, Secretary Clinton tied food security to broader foreign policy issues, stating that "food security is not just about food, but it is all about security, economic security, environmental security, even national security," and she pledged a "long-term commitment and accountability to our efforts."[49] The success of this effort remains to be seen, of course.

As policymakers try to determine how such longer-term, solutions-oriented initiatives can succeed, they should look to the lessons and outcomes of recent aid innovations that have adopted a similar vision, like the MCC. Essentially, to deal with the looming challenges we highlighted in the introduction to this report, the United States must find ways to engage in more farsighted, transformative assistance that strives to help countries establish their own solid footing.

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49. Remarks at the Clinton Global Initiative Closing Plenary, Sheraton Hotel and Towers, New York, September 25, 2009, http://www.state.gov/secretary/rm/2009a/09/129644.htm.

2 ALIGNING STRATEGY AND CAPACITY
KEY QUESTIONS

On the whole, the United States' foreign assistance and reconstruction efforts have been characterized by a jumble of priorities, directions, and mechanisms. The U.S. government's responses to postconflict situations have been ad hoc. In the development arena, some discrete programs are characterized by strategy and supported with analytical rigor, like the approach of the MCC. In truth, however, there has been no overall strategy for meeting the United States' goals using foreign assistance resources.

To meet the challenges ahead, the U.S. government must produce a strategy and then align its capacities accordingly. Three key questions must be answered:

1. **What are the U.S. government's development and reconstruction priorities?**

2. **Given these priorities, what does the U.S. government do well right now, and what must be improved?**

3. **How can the U.S. government assess whether it is building the capacity it needs?**

These three broad questions offer a way of gauging the seriousness of the two ongoing policy reviews, Presidential Study Directive–7 and the Quadrennial Diplomacy and Development Review. To the extent these two reviews answer these questions and speak with one voice, they will advance U.S. efforts on reconstruction and foreign aid. The following eleven questions provide even greater texture for analyzing these two reviews.

1. **Should the U.S. government be more intentionally selective with its bilateral aid to countries?**

Is it better to make a big difference in fewer countries or a small difference in many? The United States currently does some of everything for almost every country it assists through its engagement strategies. With USAID active in more than 80 countries, the military stationed in more than 120 countries, and diplomatic representation in more than 170 countries and territories, the United States has global influence and outreach. With this vast geographic range, the United States may have a greater opportunity than many bilateral and even some multilateral donors to effectively address global issues, but this all-encompassing approach also misses opportunities to be focused, transformative, and measurable. What if, instead of being active worldwide, U.S. bilateral development and stabilization assistance was substantially engaged in only 40 countries?[1]

Many policy analysts have criticized the current way bilateral assistance is provided. A morass of congressional legislation, together with a tangle of executive branch regulations and directives,

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1. This argument sets aside the issue of providing emergency humanitarian relief on a short-term basis in response to rapid-onset crises, and instead focuses on the rest of what can be considered development assistance efforts.

ostensibly provides guidance to foreign aid efforts. The result, however, has been a vast array of non-prioritized objectives and the creation of legacies that undermine efforts to match resources to strategy. The first question, of course, is what the goal of U.S. assistance actually is in any given country. Is America providing assistance based on the greatest need, the greatest potential for improvement, U.S. security interests, public diplomacy, or according to some other factor?

As an initial matter in pursuing a more focused approach, the determination of countries selected for substantial longer-term engagement through U.S. bilateral assistance should be connected to a clear set of goals, taking into account political and economic strategic importance. With respect to poor and fragile countries, the selection process must also factor in which countries have the greatest need because of instability and poverty, and which ones offer the best chance for U.S. assistance to have a transformational impact (internally and within the region), as measured by their policies, institutions, and geographic neighborhood.[2]

The MCC and the President's Emergency Plan for AIDS Relief (PEPFAR) both use a selective engagement approach (see table 1). The ideas underpinning the MCC (rewarding and leveraging good performers) and the focus of PEPFAR (a single disease) have made it easier for these programs to be selective. Although there are certain to be political and methodological challenges to reorienting a broader amount of foreign assistance in this way, if the U.S. government decided to become more strategic and explicitly selective, the MCC program and PEPFAR could provide valuable lessons related to selection processes and criteria. For example, the broader bilateral assistance program could look to the MCC experience to evaluate the merits of having a rigorous and transparent set of criteria, with selections and changes reviewed by a board.

Critics may contend that a far more focused bilateral model would mean abandoning U.S. aid efforts to countries outside the selected group, causing diplomatic friction and decreasing U.S. influence. Therefore, in many countries beyond those selected for more investment and impact, it is reasonable to assume that the United States would still be compelled to have a development assistance presence. In those places, a pro forma presence could be maintained in a more streamlined fashion with a single development officer in an embassy essentially running a modest (perhaps $1–2 million) foundation that was engaged in a small number of visible projects. Additionally, the United States could maintain an influential "development presence" in a given country—for example, through trade relations—without making bilateral aid a centerpiece.

Critics may also contend that if the United States diminished its bilateral aid presence in these other countries, it would also reduce its ability to use this assistance as leverage in meeting diplomatic goals unrelated to the assistance itself. In reality, however, the threat of withdrawing development assistance is rarely an effective tool in this regard. For example, the recent political crisis in Niger, in which President Mamadou Tandja dissolved Parliament after the country's constitutional

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2. Research by Homi Kharas at the Brookings Institution indicates that although there is considerable agreement among economists that funding should be oriented toward countries that are poorer (i.e., have greater need) and have better policies and institutions (produce more development bang for the buck), the reality is that most large public funders do not have recipient country income and policies as the foremost selectivity criteria. For the United States, these variables explain only 22 percent of the variance in the distribution of aid/capita. The U.S. figure is comparable to that of the European Community and better than some large European donors like France, but much worse than the United Kingdom (62 percent) or Germany (76 percent). Multilaterals, like the World Bank's International Development Association (50 percent), the Asian Development Fund (62 percent), and the African Development Fund (60 percent) are more transparent about basing country selectivity on poverty and policies.

Table 1. PEPFAR and the MCC Countries

PEPFAR Focus Countries

Botswana	Nigeria
Côte d'Ivoire	Guyana
Ethiopia	South Africa
Rwanda	Tanzania
Haiti	Uganda
Kenya	Vietnam
Mozambique	Zambia
Namibia	

MCC Compact Countries

Armenia	Mali
Benin	Mongolia
Burkina Faso	Morocco
Cape Verde	Mozambique
El Salvador	Namibia
Georgia	Nicaragua
Ghana	Senegal
Honduras	Tanzania
Lesotho	Vanuatu
Madagascar	

Sources: For PEPFAR, http://2006-2009.pepfar.gov/countries/c19418.htm. For MCC, http://www.mcc.gov/mcc/about/index.shtml.

court ruled against plans to hold a referendum on whether to allow him a third term in office, has sparked questions about what tools could be deployed to change his troubling behavior. But the only sizable U.S. assistance project in Niger is an MCC program focused on improving access to education for girls, for which approximately $11 million of allocated funds has not yet been expended. Withdrawing this program would probably not go far in influencing a president who is likely more concerned with preserving his hold on political power than with the education of young girls. By contrast, China's recent pledge to invest $5 billion in Niger over three years to develop oil production could provide tremendous leverage. The United States' policymakers will need to find the most effective levers to influence bad actors, and this will often mean using diplomacy to persuade its allies (and hopefully others as well) to share its goals and work cooperatively with it to achieve them.

To complement a high-impact bilateral focus on select countries, the United States could expand upon its current position as the largest bilateral contributor to multilateral organizations. It has demonstrated its influence in such multilateral organizations in many ways, including championing gender equality, debt relief, and efforts to develop public-private partnerships for development. But it could do more to leverage its role as a leader with great influence on the significant resources deployed across many countries by organizations such as the World Bank, the International Monetary Fund, the United Nations' specialized agencies, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and other multilateral funds that may be further developed to tackle challenges such as climate change and other important issues, like universal education. In some contexts, the United States could use this leverage to fill perceived gaps in its bilateral efforts resulting from selective country engagement.

Because of its worldwide engagement, the U.S. government's strategic choice of bilateral aid recipients can extend around the globe, unlike other donors, which tend to have selective preferences for their own regions, such as Japan in East Asia and Australia in the Pacific, or preferences for other regions based upon their history as colonial powers, such as the United Kingdom and

Figure 1. Geographic Trends of U.S. Economic Assistance by Global Region, 1960–2007
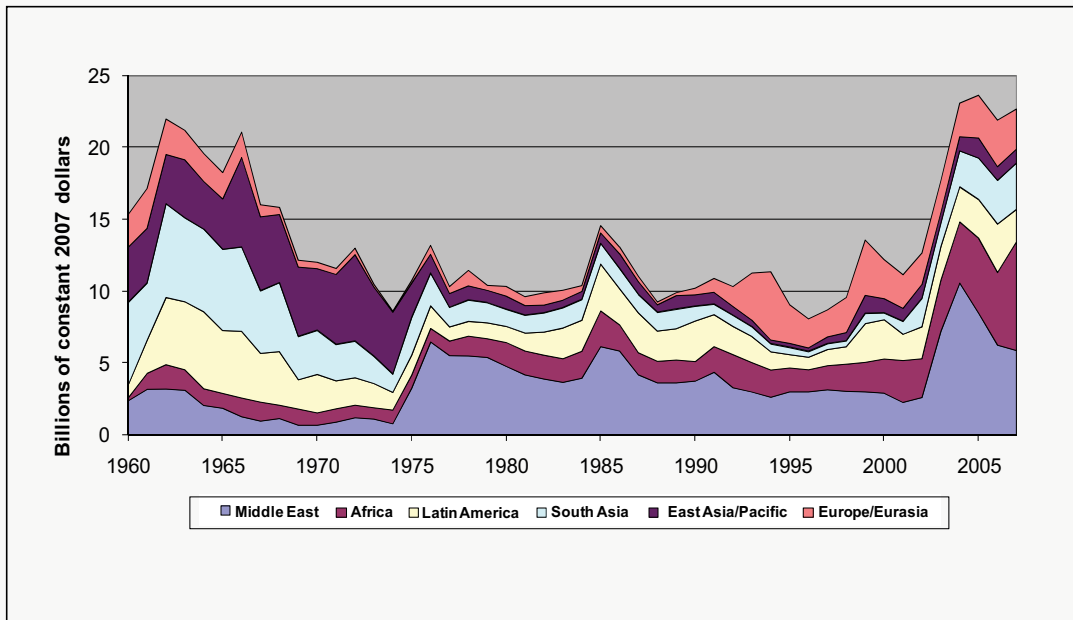
Sources of data: U.S. Agency for International Development; Larry Nowels.

France in Africa.[3] Given geopolitical realities, regions still matter in U.S. foreign policy, and decisions about U.S. policy attention and resource commitments will not be made solely on a country-by-country basis. Levels of attention and investment in regions shift over time due to these realities, together with extraordinary events (like the end of the Cold War and 9/11) that reshape and reorient the United States' foreign assistance priorities. In the 1960s, U.S. economic aid was largely concentrated in East Asia, South Asia, and Latin America. In the 1970s, its aid to the Middle East began to dominate; and in the 1990s, after the collapse of the Soviet Union, its aid to Europe and Eurasia saw a very large boost. More recently, its aid to Africa has increased. Given current global socioeconomic and geopolitical conditions, Africa, South Asia, and the Middle East will likely continue to loom large in their share of U.S. official development assistance (ODA) (see figure 1).

In considering more selective bilateral aid engagement for the United States, it is also important to recognize that a tiered system of engagement already implicitly characterizes high-level policymakers' commitments of attention and resources to individual aid recipient countries. From the perspective of national security decisionmakers, some countries are too important to ignore and others are the crises of the day, but the majority remain at a low level of visibility, infrequently attracting significant individual attention from top officials. Some version of this triage system will likely continue to apply even if U.S. bilateral assistance is reoriented to have a greater impact in a smaller group of countries on which there is an explicit focus.[4]

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3. Organization for Economic Cooperation and Development, *Managing Aid: Practices of DAC Member Countries* (Paris: Organization for Economic Cooperation and Development, 2009), http://www.oecd.org/dataoecd/58/29/42903202.pdf.

4. For more on priority setting for assistance from a national security perspective, see Frederick Barton and Mike Froman, "Report of the Working Group on Reconstruction and Development," Princeton Project

About 41 percent of U.S. ODA is already spent on the top 10 recipient countries, out of a total of 141 countries (see table 2). The amount spent on Iraq, Afghanistan, and Pakistan alone accounts for roughly one-quarter of total U.S. ODA, and the total proportion of overall foreign assistance committed to these countries is much higher.[5] Because the United States already focuses its assistance dollars on a subset of countries, it could potentially be far more effective in its bilateral efforts by doing so more consciously with a balanced basket of priority countries and by organizationally focusing the attention of its aid institutions to have a greater impact in those contexts. The actual list of focus countries would depend on the broader strategy, but it would presumably include a mix of stabilization and reconstruction contexts, other key weak states, and countries that are performing relatively well, exhibiting stability and good governance as they seek to move their economies up the income scale. Factoring in global and regional goals, political and economic importance, needs, threats, and opportunities to have

Table 2. U.S. Official Development Assistance

Net Total	2007	2008
(million of dollars)	21,787	26,842

Top Ten Recipients (average, 2007–2008, million of dollars)

Iraq	3,246
Afghanistan	1,816
Sudan	779
Egypt	684
Ethiopia	592
Colombia	520
Pakistan	398
Kenya	383
Palestinian areas	351
Uganda	327

Percentage Received by Top Recipients (average, 2007–2008)

Top 5 recipients	32
Top 10 recipients	41
Top 20 recipients	52

Source: Organization for Economic Cooperation and Development, http://www.oecd.org/dataoecd/42/30/44285539.gif.

a real impact, policymakers could make a point of selecting a list of focus countries. A group of 45 or even 40 countries is not inconceivable for concentrated U.S. bilateral development efforts, because it could include top recipients from a political and security perspective as well as the more strategic MCC-eligible countries and others that particularly resonate with U.S. initiatives.

2. **Should the U.S. government specialize in certain missions and sectors where it has a comparative advantage?**

Even in a time characterized by fears about the United States' economic decline and waning influence abroad, it is clear that it will continue to play a major leadership role for the foreseeable

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on National Security, September 2006, http://www.princeton.edu/~ppns/conferences/reports/fall/RD.pdf.

5. The top ten recipients of U.S. foreign aid in FY 2008, in descending order, were Afghanistan, Israel, Egypt, Iraq, Jordan, Pakistan, Kenya, South Africa, Colombia, and Nigeria. See Keith Brown and Jill Tirnauer, "Trends in U.S. Foreign Assistance over the Past Decade," Management Systems International and U.S. Agency for International Development, August 2009, 11, http://pdf.usaid.gov/pdf_docs/PNADQ462.pdf.

future in addressing geopolitical and global challenges. Yet as it continues to drive action, leveraging its bilateral and multilateral influence, must it try to be good at everything? Around the globe, the U.S. government engages in all types of missions, including humanitarian response, stabilization, and long-term development. It also engages in all manner of assistance fields—infrastructure, environment, education, health, agriculture, enterprise finance, the rule of law, and military training, to name but a few. Though U.S. assistance has the geographic breadth to take on issues of global significance and the potential to bring a range of technical and contextual expertise to bear on any given area of focus, it will fail more often if it does not home in on specific areas of expertise.

With limited resources globally, all donors should focus on the types of aid activities they do best compared with other donors, that is, that produce the most cost-efficient outcomes in support of shared goals. Although complicated due to a lack of data, this notion of comparative advantage has been advanced in a number of different international forums, such as the March 2009 international conference hosted by Switzerland on Whole of Government and System Approaches in Situations of Conflict and Fragility, which created a road map for the international community for advancing the implementation of a coherent, coordinated, and complementary approach in situations of crisis, conflict, and fragility.[6]

In keeping with this approach, the United States could shift its focus away from trying to do all things in all countries and toward excellence in certain areas of assistance to poor and fragile countries. For example, it could take the lead in rapid contingency operations with planned, speedy handoffs to local and international partners. Although still lacking adequate capacity and expertise in this regard, the U.S. government appears to have advantages in versatility and speed in comparison with its allies and international organizations. Indeed, the largest component of U.S. foreign assistance is dedicated to international security issues. Of these, some—such as stabilization, security-sector reform, counternarcotics, and conflict mitigation and reconciliation—are directly related to development. The scale of U.S. involvement in these areas, combined with the mix of military and civilian resources it can bring to bear, indicate that engaging in security-related matters on the development agenda could be an area of U.S. comparative advantage. Developing this advantage effectively would, however, require an improved capability to coordinate responses between the U.S. development and defense establishments.[7]

If this type of approach is embraced, it is important to remember that even in security-sector reform, other donors are more skilled and effective in certain areas. For example, some smaller developing countries prefer to have gendarmerie forces that can perform both domestic law enforcement functions and, when needed, self-defense and counterinsurgency functions, rather than developing a standing military self-defense force that may never be deployed. Many small countries also prefer to maintain a national police force rather than taking a decentralized approach. The United States does not have a national police force that performs community-policing functions.

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6. 3C Conference Project Team, "3C Conference Report 2009: Improving Results in Fragile and Conflict Situations, March 19–20, 2009," http://www.3c-conference2009.ch/en/Home/The_Conference/media/3C_Conf_Report_v6.pdf.

7. When it comes to devising and applying integrated, whole-of-government approaches to fragile country engagement, the United States trails the United Kingdom, Canada, and Australia according to comparative research by Stewart Patrick and Kaysie Brown. See Stewart Patrick and Kaysie Brown, *Greater Than the Sum of Its Parts? Assessing "Whole of Government" Approaches to Fragile States* (New York: International Peace Academy, 2007). http://www.cgdev.org/doc/books/weakstates/GREATER_THAN_THE_SUM%20E-Book2.pdf.

It also has a relatively strict separation between domestic law enforcement and military functions. By contrast, the French Gendarmerie and the Italian Carabinieri have considerable expertise and success in training national police forces and gendarmeries because the French and Italian systems include these features. Thus, they may simply be better than the United States at training these types of forces in developing countries, and if so, their expertise should be utilized.

After security assistance, the next-largest component of U.S. foreign assistance is health, and the overwhelming majority of resources in this area are devoted to combating HIV/AIDS, along with tuberculosis and malaria. The United States devotes 20 percent of its aid to health, compared with 8.9 percent among major donors globally. PEPFAR represents the largest commitment ever dedicated to a single disease by a bilateral donor, and the United States is also the largest bilateral contributor to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. If, based on an analysis of relevant data, it turns out the United States has a comparative advantage in the health sector relative to other donors, this could be another area in which it makes sense for the U.S. government to specialize. We note that although the $25 billion spent so far on PEPFAR has positioned the United States as the most influential international leader in a priority area of global development efforts, America must also approach with humility the questions of how many sectors it can seriously invest in and still accomplish its goals.

The principle of alignment, to which the United States should be committed as a participant in the drafting of the Paris Declaration on Aid Effectiveness, calls for donors to base their overall support on recipient countries' national development strategies, institutions, and procedures. That same declaration, however, also prioritizes the principle of harmonization, which calls for a more effective division of labor among donors, including the responsibility to "make full use of their respective comparative advantage at sector or country level by delegating, where appropriate, authority to lead donors for the execution of programmes, activities and tasks." [8] If the United States and other donors treat seriously the idea of specialization while also adhering to these tenets of international aid effectiveness, the end result is likely to be a more selective pool of country engagements given the variance in host countries' needs.

One cautionary note in thinking about comparative advantage is that the United States could have a comparative advantage in a sector in the sense of having better expertise than other bilateral and multilateral donors, but it may not put equivalent resources on the table. Conversely, just because the United States may dedicate significantly more resources to a given sector does not mean that it has better expertise in that area relative to other donors (although consistent emphasis over many years often leads to relatively stronger expertise). In other words, though division of labor and complementarities are widely understood as conducive to aid effectiveness, there is no guarantee that donors will opt to concentrate in sectors where they have a comparative advantage.

Another caveat is that while the sheer size of the United States' contribution can potentially lead to comparative advantages as a donor in certain contexts, its size as a donor should be viewed in perspective. Increasingly, its traditional role as the major source of aid is being challenged in various contexts. It was surpassed by the UK in contributions to the most recent replenishment of the International Development Association, the facility of the World Bank that helps the poorest countries by providing interest-free loans and grants. U.S. ODA is also now considerably smaller than the cumulative sum of the aid given by the European countries that are starting to coordinate

8. "Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability," 6, available at http://www.oecd.org/dataoecd/11/41/34428351.pdf.

aid efforts. American taxpayers might be surprised to learn that even after significantly scaling up aid to Africa, U.S. ODA to that region was only a little more than what was given by the UK, whose economy is less than one-sixth the size of that of the United States.[9] It is particularly important to remember that the United States is only one donor and that other significant bilateral and multilateral actors do exist.

In addition, the U.S. government must be careful not to choose its activities in a given country based *solely* on a Washington-based notion of comparative advantage. This would run the risk of ignoring recipient country priorities for development assistance. A recent analysis had shown that only about 10 percent of U.S. aid is in an area that a recipient country has listed as among its top three development priorities.[10] By contrast, 27 percent of Japanese and International Development Association assistance, and 17 percent of European Community assistance, is among a country's top three development priorities. If the United States chooses to be selective in its engagements and/or specialize in particular types of assistance—and even if it does not—this practice must change. Development assistance that is tone-deaf to the priorities of the recipient country has little chance of being catalytic and transformational.

A specialization strategy would require trust and cooperation among donors. Fortunately, there is some evidence that other countries are open to this idea. The U.S. Department of State's African Contingency Operations Training and Assistance (ACOTA) program trains and equips military contingents in Sub-Saharan African countries to deploy to peace operations in Africa and other conflict zones. In 2007, the Department of State entered into a novel arrangement with the Netherlands under which that government agreed to provide a total of approximately $21 million to the ACOTA program for the express purpose of expanding support for multinational peacekeeping missions. The impetus for this arrangement was that officials in the Netherlands had identified the training and equipping of African peacekeepers as an urgent priority and were looking for ways to encourage such activity without creating their own homegrown programs, which would have been too expensive and time consuming. A similar arrangement was reached later with the government of the UK, under which that government provided approximately $16 million for peacekeeping efforts in Darfur and Somalia.

Providing funds to expand the United States' existing program—widely viewed as well run and effective—was cost-efficient for the Netherlands and the UK and allowed the funds to be put to good use quickly. Consistent with written understandings between the parties, the UK and the Netherlands were able to direct and guide their investment. They chose which African countries would be assisted by their funds and approved the details of the assistance before implementation. The result was that the contingents received equipment and training in skills similar to those given to other contingents assisted under the program, thus allowing for enhanced cooperation and interoperability with other troop contingents upon arrival at the peacekeeping mission.

What opportunities exist for the United States to boost successful programs of other donors rather than managing its own? The Norwegians have particular expertise and success in the area of water management in developing countries, for instance. Given that water security will be a major issue in years to come, and that there will inevitably be a U.S. congressional constituency that wants to fund such activities, it may make sense for the United States to directly fund pro-

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9. With the introduction of PEPFAR, it is true that the U.S. government tripled its assistance to Africa, but in 2006 U.S. disbursements to Africa were only $5.4 billion, compared to $5.2 billion given by the United Kingdom.

10. Nancy Birdsall and Homi Kharas, *Quality of Development Assistance Index*, forthcoming.

grams run by the Norwegians that already have proven track records. Other opportunities along these lines undoubtedly exist and should be uncovered through greater discussion and collaboration with other donors.

3. Should the U.S. government prioritize crisis response or prevention?

Although there is some amount of intellectual agreement among the relevant parties that prevention is easier and more cost-effective than crisis response, prevention-focused activities often seem to be the most neglected. The "dogs that don't bark" problem—in this case, taking steps to forestall a crisis that never materializes—is a powerful disincentive to corrective action that must somehow be overcome. The imbalance between resources directed to prevention and response is so great that even small improvements have the potential for significant effects.

In the wake of the devastating 2004 Indian Ocean tsunami, for instance, an interregional tsunami early warning system was developed and deployed to help mitigate the effects of similar events in the future. What if this system had been developed and deployed before the 2004 tsunami? It is possible that hundreds of thousands of lives could have been saved, and donor countries might not have had to spend the more than $7 billion in the region that it took to get to some semblance of recovery.

What opportunities exist to anticipate and prevent crises that will take human lives, disrupt stability, and tax U.S. and other donors' assistance resources? Just one example is the increased evaporation resulting from climate change—a phenomenon that has a real potential to increase tensions between nations. Lake Chad shrinks from 50,000 square kilometers in the wet season to 20,000 during the dry season.[11] It provides water to more than 20 million people living in the four countries that surround it (Chad, Cameroon, Niger, and Nigeria) on the edge of the Sahara Desert. If the lake shrinks more than usual over time because of evaporation, the exposed land may become disputed by these four countries that border it. Similar problems on the Kovango River between Botswana and Namibia led to military confrontation.[12] Putting a pre-negotiated framework in place for dealing with such a contingency could go a long way toward mitigating deadly and costly conflicts in an already volatile region of the world.

Peacekeeping is another good example. The current ad hoc approach to such missions is incredibly vulnerable to funding, resource, and coordination gaps, as the challenges facing the African Union Mission in Somalia in recent years have clearly shown. And yet, with sufficient resources and coordination, international peacekeeping could become a very effective tool for conflict prevention, helping obviate the need for more dangerous and expensive military intervention by the United States. Given the ever-growing need for peacekeeping resources around the world, therefore, it would make sense to bring major donors, the UN, and regional institutions performing peacekeeping functions together for a wide-ranging discussion of the likely challenges that will be faced over the next 20 years and get a consensus regarding what resources and coordination are needed to address the challenges. Rationalization, coordination, and planning in the context of the broader strategic global challenges the United States is likely to face in the coming years would be consistent with a prevention-oriented approach to assistance and could go a long way toward convincing skeptics in the U.S. Congress about the importance of providing adequate resources to support international peacekeeping efforts.

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11. Intergovernmental Panel on Climate Change, "Climate Change and Water: IPCC Technical Paper VI," 66, http://www.ipcc.ch/pdf/technical-papers/climate-change-water-en.pdf.

12. Ibid.

4. What philosophy and approach should the U.S. government take to strengthening civilian capacity?

The realization that the U.S. government needs significantly stronger civilian capacity to support efforts across the spectrum from stabilization and crisis response to the execution of longer-term development strategies has, not surprisingly, emerged with tensions about how exactly to reach that goal. Our discussions with experts and our analysis consistently encountered these provocative issues:

- *Strengthen the parts or reform the whole?* When making decisions on budgets and levels of effort, should the government prioritize more funds and personnel for the organizational approaches already in place in agencies or should it focus on marshalling limited capital toward rationalization, better coordination, and planning across traditional stovepipes? At a practical level, this could lead, for example, to management decisions about whether to spend energy and political capital trying to retool and bolster the interagency coordination of reconstruction and stabilization efforts or whether it is better to simply secure more deployable officers.

- *Are crisis response and long-term development interlinked and disconnected?* Another tension point is the degree to which capacity built to address stabilization also meets capacity needs focused on long-term development, and vice versa. How interchangeable are staffers and planning systems across the "continuum" from relief and stabilization to development? Over the long term, if built-up capacity to support development translates into greater stability, better governance, and economic growth in poor countries, then there should be less need to deploy postconflict stabilization capacity. Stabilization capacity that is used effectively in a given country facing a crisis should at least serve to mitigate the negative effects on the development of countries in the surrounding region. These types of connections are critical; and yet, too often, there is a disjointed relationship between communities of experts focused on stabilization and crisis response and communities of experts focused on long-term development, let alone between civilian and military actors. This disconnect can taint efforts to build civilian capacity if plans in one area are not adequately cross-checked with plans in the other to ensure efficiencies.

- *Balancing surge and standing capacity:* A great deal of effort has already gone toward answering the question of how best to build civilian capacity in the context of reconstruction and stabilization efforts. The human capital efforts of the State Department's Office of the Coordinator for Reconstruction and Stabilization suffer from a lack of funding on the part of the U.S. Congress. Although the relatively anemic Active and Standby Response Corps have been funded—somewhat reluctantly and at lower levels than requested by the administration—the fate of the robust (and expensive) Civilian Reserve Corps remains entirely unclear. Moreover, these capacities could potentially be funded at the expense of standing capacity to engage in development that could be inclusive of reconstruction capabilities. Fundamentally, the question is about how best to invest limited resources, and investments always involve some level of risk. Given the uncertainties regarding when and how such capacities may be used, and what, precisely, the political goals will be in any given situation (i.e., nation building vs. securing minimum U.S. national security interests), maximum flexibility should be sought in formulating the cadre of assistance professionals that will respond to tomorrow's crises.

5. **Is the United States willing to put significant numbers of civilian assistance personnel in harm's way?**

As explained in more detail in section 1, USAID and the Department of State need to acquire dramatically more resources and on-staff personnel in a number of areas, including technical capacity in the field to appropriately design, monitor, and evaluate programs and projects. To ensure that these new assets are put to good use, civilian agencies must be better prepared to operate in challenging security environments. Even if Iraq and Afghanistan are exceptions, civilian personnel will continue to be called upon to operate in unstable and hostile environments, as they already do in many poor and fragile countries. The United States should, as a general matter, be prepared to conduct operations in these situations. Important questions must be answered about the level of acceptable risk for civilian employees and how, in managing that risk, the rules differ for Foreign Service officers, Foreign Service nationals, other directly hired staff, and contractors (both U.S. and foreign).

Multiple approaches to the issues of non-permissible and semi-permissible environments exist, and the challenge is to pursue the appropriate approach, depending on the context. One method is to integrate operations with the U.S. military when present, as has happened with the Provincial Reconstruction Teams in Iraq and Afghanistan. This should be done only in "high-fire" areas where the need is great. The tremendous expense associated with military security may be justified in such areas because there is often not another way to provide or monitor timely aid.[13] This model should not be employed in areas that are relatively secure, both because it may not be as effective as civilian-led models and because one of the purposes of enhancing civilian capacity is to make sure that the United States projects a civilian, rather than military, face to the world.

Another way to address the issues of non-permissible and semi-permissible environments is to reduce the U.S. footprint on the ground by finding ways to channel more assistance directly through local organizations, the government, and international organizations. If done well, the result can be assistance that is more appropriate to a country's needs, sensitive to its culture, and supported by local populations (and, therefore, less in need of protection). It can also have the critical benefit of enhancing host-nation capacity. But it can also present challenges when a non-permissive environment makes it difficult to effectively monitor the provision of assistance for consistency with the program purposes and other U.S. policy priorities.

For example, the United States is the largest donor to the UN World Food Program (WFP) in Somalia, contributing about 40 percent of the $850 million annual budget for that country. The WFP provides food to the more than 3 million Somalis at risk of starvation as a result of the conflict in the country. There are no U.S. government or UN employees on the ground in Somalia to monitor the food aid as it moves through the port, over ground, and into towns and villages controlled by Al-Shabaab, an Islamist insurgent group. In October 2009, the United States announced that it had suspended millions of dollars of food aid for the WFP because of concerns that Somali contractors working for the United Nations were funneling food and money to Al-Shabaab. As a result, WFP officials indicated that the food supplies for Somalia were dwindling and that, by December, they would "completely run out."[14]

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13. A related security approach is to employ the protection of armed security contractors. For the arguments we make here, the same factors and conclusions mentioned in connection to military security generally apply to such commercial teams.

14. Jeffrey Gettleman, "U.N. Says U.S. Delays Led to Aid Cuts in Somalia," *New York Times*, November 7, 2009, http://www.nytimes.com/2009/11/07/world/africa/07somalia.html.

Clearly, finding innovative ways to monitor aid delivered by host-country and international entities will be necessary to ensure consistency with the United States' policy priorities and sustain U.S. domestic political support for such programs. For example, using financial information technology to monitor transfers of specific U.S. dollar-denominated currency (often the currency used in conflict zones) could tell researchers more about where money provided to support the provision of food and other assistance is ending up. Similarly, devices used to track the location of U.S.-manufactured weapons could be adapted to other forms of assistance.

A third way to approach difficult environments is to adjust to and accept even greater risk for more U.S. civilian assistance professionals. This approach would have the advantage of putting U.S. eyes and ears on the ground to ensure that programs are appropriate to the circumstances and are being implemented in a responsible and effective way. It would require a shift in security regulations and procedures common to the State Department and USAID, and may even require changes to personnel management in order to recruit and retain more individuals willing to take significant security risks in the course of their work.

There are downsides to this approach, of course. In a world where representatives of the United States are often specifically targeted for attack by terrorist and insurgent groups, placing unarmed U.S. citizens in positions where they can readily be kidnapped or murdered could have the effect of strengthening terrorist and counterinsurgency efforts. In addition, if the sensitivity of the American people to military deaths is any indication, it is unclear how willing they will be to stomach the deaths of civilians in far-flung locations. Many Americans do not understand, or else don't believe in, the reasons for putting U.S. soldiers in harm's way. Communicating why we must send civilians to, for example, a conflict-prone area to try to prevent a theoretically destabilizing crisis will be even harder to explain and justify, thus possibly eroding domestic support for such programs and perhaps even for foreign assistance in general.

Finally, key cultural issues in the State Department and USAID need to be addressed, particularly with respect to limited deployability. Foreign Service officers in the State Department and USAID are technically readily deployable to any part of the world already, but that is not currently the cultural norm or expectation. Recruits into the State Department's and USAID's Foreign Service corps need to understand and internalize the expectation that they will be called upon to readily serve overseas in places that are not entirely desirable for most of their careers. The expectation that serving in a so-called hardship rotation will later result in a plum assignment needs to change. The difficult problems the United States faces in the years to come do not stem from plum countries but countries that suffer from poverty and are prone to conflict.

6. For stabilization and reconstruction engagements, does the U.S. government have an adequate system for coordinating planning and response implementation?

One basic question that remains unanswered at this time in the area of postconflict reconstruction and stabilization is: What, exactly, does the United States want to achieve in postconflict countries? Should the U.S. government's goal be to limit the problems in a country sufficiently to protect more immediate U.S. national security interests? Or should its goal be to "go the distance" to engage in the more difficult work of long-term nation building designed to sustainably stabilize a war-torn country by addressing grievances, lifting people out of poverty, and creating a peaceful, prosperous, democratic society? America's isolationist tendencies and resource constraints in the

wake of its involvements in Afghanistan and Iraq may answer these questions even in the absence of an open debate, but an honest answer to this question from high-level policymakers would go a long way toward clarifying the scope of internal capacity building efforts in this area and would help to determine what type of planning and coordinating bodies there should be, how they should be staffed, and what types of resources need to be built.

In recent years, the State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS) has emerged as the civilian candidate for carrying the weight of strategic planning. And yet, for the biggest priorities—Iraq and Afghanistan/Pakistan—ad hoc coordination arrangements were established or persisted in the face of what S/CRS ostensibly had to offer. Even for cases that are the next tier down in urgency and visibility, S/CRS has consistently run up against hurdles set in place by the more potent regional bureaus at the State Department or other agencies. In short, S/CRS has demonstrated the weakness of its model, despite the sustained efforts of this underresourced interagency team cobbled together to devise a whole-of-government management system for policy and implementation in complex contingency contexts requiring rapid response.

Now is the time to make a decision about what to do with S/CRS. If significant congressional and full interagency support is not attainable in short order, a new approach should be taken within the currently receptive climate for reforms. The substantive contributions S/CRS has advanced with regard to interagency coordination and collaboration on stabilization, reconstruction, and conflict transformation could develop further and have a greater impact within a more effective model. It may make the most sense to divide the functions that S/CRS has developed and currently performs in the context of conflict response, and place them in institutions that already have certain abilities and capacities that are commensurate with those tasks:

- The design and management of whole-of-government coordination systems could be transferred to the National Security Council so that such systems can effectively be put to appropriate use by the entity in the executive branch that can demand coordination.[15]

- The helpful planning support that S/CRS has provided to regional bureaus on a case-by-case basis could be integrated into a more robust policy planning office at the State Department. This same function could also apply to a policy and strategic planning entity at USAID if one is established along the lines of legislation moving through the Senate.[16]

- The operational responsibilities of building and maintaining the Civilian Response Corps could reside at USAID, which has rich experience managing a system that can rapidly call upon

15. In 2004, officials in the Bush administration and in Congress debated the location of coordination capacity for stabilization and reconstruction activities of the U.S. government. Some wanted it attached to the National Security Council; others thought the operational nature of the initiative made it a logical fit with USAID. In the end, the Department of State was chosen. See Dane F. Smith Jr., *An Expanded Mandate for Peacebuilding: The State Department Role in Peace Diplomacy, Reconstruction, and Stabilization* (Washington, D.C.: Center for Strategic and International Studies, 2009), 18; see also the Stabilization and Reconstruction Civilian Management Act of 2004, S. 2127, 108th Cong., 2nd Sess. (2004), and the Stabilization and Reconstruction Civilian Management Act of 2005, S. 209, 109th Cong., 1st Sess. (2005), which were supported by senators Lugar, Biden, and Hagel.

16. We note that conflict-related thinking does already take place within USAID's Office of Conflict Management and Mitigation as well as other parts of the Bureau for Democracy, Conflict, and Humanitarian Assistance.

experts across the U.S. government and reservists beyond the government to deploy quickly in response to a crisis.[17]

7. Will significant resources be put toward broader and stronger civilian strategic planning capacity?

The United States will continue to play a leadership role in dealing with international issues and will call on its civilian capabilities for action in a number of conflict and development missions in the years to come.[18] And yet the U.S. government is even less prepared to meet future challenges than it is to meet current demands. Why? Anticipation-based planning is undervalued across the government, and especially in civilian agencies.

The Pentagon's planning resources far outstrip those of the civilian international affairs agencies. The number of people in the U.S. military dedicated full time to planning is estimated, conservatively, at 1,000 to 1,500. These planners look not only at big-picture issues but also plan robustly for how to operationalize decisions once made. By contrast, the State Department's Policy Planning staff has often focused on abstract, big-picture ideas, but not on concrete planning aimed at putting ideas into action, though this may be changing with the development and results of the Quadrennial Diplomacy and Development Review. With a staff of about 25—which includes the secretary's speechwriters—no one could expect this office to be a planning powerhouse. USAID used to have a bureau for policy and program coordination that was responsible for strategic and performance planning. This office was not considered to have a particularly strong planning capacity when it was dissolved and shifted, in part, into the State Department's budget oversight function for the Office of the Director of Foreign Assistance as an element of the Bush administration's foreign assistance reforms.

In some respects, the lack of attention to anticipation-based planning on the civilian side is understandable. Anticipation-based planning is notoriously difficult and often proves unreliable. As James Joyner at the Atlantic Council has noted, "the intelligence community, think tanks, and others have a notoriously poor track record when trying to project even a few years ahead."[19] (Joyner ultimately concluded, however, that it is nonetheless "absolutely vital to think strategically about the long term.") In addition, as a practical matter, it is difficult for the State Department and USAID to devote substantial money and personnel resources to planning future activities when they can barely meet the demands of today, particularly when more and more unfunded tasks are assigned to them by Congress and by agency leaders.

An effort to fundamentally strengthen the civilian capacity for development and stabilization takes years to accomplish and is not to be undertaken lightly. It must be rooted in robust and detailed planning. It must be predicated on an assessment-based vision of how the U.S. government might engage with developing countries over at least the next two decades rather than merely ramping up capacity to meet only the challenges of today.

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17. S/CRS has drawn heavily over the years on USAID's experience with such systems to devise the Civilian Stabilization Initiative.

18. For a discussion of the United States abandoning gains in civilian capabilities for complex operations following the Vietnam war, see Hans Binnendijk and Patrick M. Cronin, eds., "Civilian Surge: Key to Complex Operations," Center for Technology and National Security Policy, 2008, v–vi, http://www.ndu.edu/CTNSP/pubs/Civilian_Surge.pdf.

19. See James Joyner, "Predicting the Future Is Hard—and Necessary," Atlantic Council, November 20, 2008, http://www.acus.org/new_atlanticist/predicting-future-hard.

Civilian agencies absolutely need to strengthen their strategic planning capacity. A broader framework is necessary to plan where, in the years to come, the United States should engage to support stabilization and development, how we will accomplish that mission, and why it is necessary. In building this capacity, civilian agencies must avoid the most common planning traps that contribute to tunnel vision and the failure of imagination in anticipating future needs: (1) overemphasizing the recent past, and (2) ignoring undesirable cases.[20] In military terms, this is planning for the last war and preparing for the war you want to fight.[21] A solid grounding in reality, open-mindedness, and critically examining prevailing assumptions are crucial for expecting the unexpected.[22]

In addition, a comprehensive process of envisioning future priorities for U.S. stabilization and development efforts overseas must integrate different perspectives. The humanitarian, development, diplomatic, and defense communities, however, have always had distinct priorities and a tendency to look at others' problems more than their own. In the absence of common core elements of a shared outlook and strategy, the natural divisions multiply. Planning must foster integration in the interagency. A functional and enduring vision for how the U.S. government will engage with developing countries requires a wide array of inputs and cross-pollination.

8. Will coordination and cooperation efforts help close resource and capacity gaps?

To achieve ambitious goals using limited resources, the United States must often apply a truly "whole-of-government" approach to stabilization and development issues for poor and fragile countries. On some lower-profile issues, a talented chief of mission or departmental leader can effectively marshal the many relevant assets the U.S. government can bring to bear. Most challenging and high-profile cases, however, require direct White House involvement and an active role on the part of the National Security Council or the National Economic Council to coordinate across the shared and competing interests of different departments and agencies. In some cases, for example, the primary focus of coordination may be across USAID, the Department of State, the Department of the Treasury, the U.S. trade representative, the MCC, the U.S. Trade and Development Agency, and the Overseas Private Investment Corporation. In others, the axis of coordination may heavily involve the Department of Health and Human Services and Department of Agriculture. Still others require bringing in DOD and the Department of Justice, as well as the intelligence community.

As noted above, food security and health have been identified as signature assistance issues by the Barack Obama administration. Each of these areas, like many others, involves many parts of the U.S. government across a variety of agencies. Approximately 28 different U.S. government departments and agencies provide overseas aid. In Afghanistan, USAID, the Department of Agri-

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20. For years, the United States and its partners have dealt with small problems in small places, small problems in large places, and large problems in small places. Iraq and Afghanistan represent large problems in medium places, while presently Pakistan is a medium-sized problem in a large place. The world is fortunate to have avoided large problems in large places in recent years, but should not avoid anticipating the possibility just because the result would be "too awful."

21. A corollary to preparing for the war you want to fight is ignoring the problem right in front of you, as many parts of the U.S. government had done by treating Iraq and Afghanistan as insufficient reasons to alter business as usual in major ways.

22. Frederick D. Barton and Karin von Hippel, "Afghanistan and Pakistan on the Brink," Center for Strategic and International Studies, February 2009, 10–12, http://csis.org/files/media/csis/pubs/090221_barton-afpakonthebrink.pdf.

culture, and the National Guard are all running agricultural programs. Although these resources address a short-term capacity gap and may be necessary at the moment, such overlapping responsibilities cause headaches and confusion.

What role should each U.S. government actor play in, say, an expanded and coordinated health program? USAID has the most experience designing and implementing foreign assistance programs worldwide. The State Department has the best understanding of diplomatic issues and the United States' broader strategic goals in a country or region. The Department of Health and Human Services (specifically the Centers for Disease Control) and the U.S. Department of Agriculture have specialized expertise. DOD has its own technical expertise and ample resources from which to draw. How should the United States organize its efforts to enhance programming in a way that maximizes these existing resources, and what additional capacities are needed?

Whether or not the government chooses to specialize in a narrower array of sectors, and regardless of the specific sectors selected, the government must address the problems associated with overlapping or disconnected agency responsibilities. As noted by Defense Secretary Robert Gates, "new institutions are needed for the 21st century, new organizations with a 21st century mindset."[23] Some degree of consolidation is also necessary, because adding more agencies and offices to the mix does not result in more coherent policy. Ideally, in contemplating reform, integrated efforts should aim for unity of purpose achieved with the maximum simplicity of design.[24]

Beyond interagency coordination, the U.S. government must adjust its lens on assistance to incorporate new U.S. resources and actors. Why? Forty years ago, 70 percent of resources from the United States to developing countries stemmed from the U.S. government. Today, USAID estimates show that private capital from U.S. citizens, residents, and companies accounts for about 85 percent of these resource flows.[25] Despite recent increases in foreign assistance appropriations, U.S. government resources are finite, particularly in light of increasing concerns about the United States' unprecedented budget deficit.[26] Decisions made by multinational corporations, large foundations, diaspora communities, and influential faith-based and other nongovernmental groups could have a major impact on U.S. government efforts in poor and fragile countries. The focus on public-private partnerships—which usually means partnership between the U.S. government and private corporations or privately funded nonprofit organizations—should be expanded to consider ways U.S. programming could complement and even energize the efforts and remittance resources of different assistance communities in the United States through strategic partnerships.[27] To better adapt to the global development ecosystem of today and tomorrow, civilian agencies of the U.S.

23. Secretary of Defense Robert M. Gates, Landon Lecture, Kansas State University, Manhattan, November 26, 2007, http://www.defense.gov/speeches/speech.aspx?speechid=1199.

24. Frederick D. Barton, "Measuring Progress in International State Building and Reconstruction," Aspen European Strategy Forum, August 20, 2008, http://csis.org/files/publication/080820_barton_mop.pdf.

25. Jane Nelson, "Whoever Wins the White House, the Challenge Is to Turn Uncle Sam into a World Champ," Parliamentary Brief, October 2008, 19, http://www.un.org/millenniumgoals/2008highlevel/pdf/background/PB_UNDP_2008_Lo.pdf.

26. The deficit issue is emerging as a fundamental policy concern of the Obama administration. In November 2009, the administration alerted U.S. domestic agencies to plan for a freeze or even a 5 percent cut in their budgets, part of a push to rein in record deficits threatening the long-term health of the U.S. economy.

27. For a more narrowly focused but related paper on this topic, see Justine Fleischner, Karin von Hippel, and Frederick D. Barton, *Homebound Security: Migrant Support for Improved Public Safety in Conflict-*

government can take a number of steps, including leveraging the government's bully pulpit and strengthening their internal capabilities to connect with private partners in ways that will lead to innovative and strategic investments.[28]

With respect to international cooperation, coordinating with other donor countries, foreign NGOs, the UN, and other international institutions is a crucial element in successfully attaining the government's short- and long-term objectives.

9. Will it be politically feasible to take some funding away from defense in order to beef up diplomacy and development efforts?

Many policymakers and others in the foreign policy community have invoked the "three Ds"—defense, diplomacy, and development—as the "three-legged stool" of U.S. foreign engagement. There is no doubt that these highly touted expressions have great rhetorical value, and they do communicate a more balanced vision of American statecraft. Actually achieving a better balance, however, requires heavy lifting so that defense, diplomacy, and development are valued equally in pursuing American foreign policy goals. Such an equal valuation has a number of facets.

First, budget figures for DOD, the Department of State, and USAID need to reflect a more balanced approach. Of course, this does not necessarily mean that the budgets for the three agencies must be exactly the same—they never will be, and perhaps never should be. But it does mean that the Department of State and USAID should have enough resources to build their capabilities to a more adequate level. Given the reality of serious concerns about the national debt and budget deficits, more resources for the Department of State and USAID could mean less for DOD.

Such a trade-off would not come easily. The U.S. public's fears about attacks on U.S. soil—and the ease with which such fears can be stoked by the media and others—mean that reasonable efforts to direct more funds to civilian agencies to beef up civilian capacity can easily become politically unviable. The challenge, therefore, will be making the case that in light of the nature of the new types of threats the world community will face (e.g., conflict or instability resulting from the effects of climate change) and limited resources, a heavily military-oriented foreign policy will not make America safer after a certain point of expenditure.

Achieving a better balance among the three areas of foreign policy—defense, diplomacy, and development—also means addressing the staffing issues at the State Department and USAID. There is already some amount of movement to rebuild USAID's technical capacities, but the scale of current staffing boosts is small compared with the magnitude of the challenges. In the context of conflict response alone, experts have suggested that civilian personnel numbers should be increased to 5,000 readily deployable and 10,000 reserves, even after the United States decreases the number of its overseas operations.[29]

Prone Settings (Washington, D.C.: Center for Strategic and International Studies, 2009), http://csis.org/publication/homebound-security.

28. For more on this, see Jane Nelson and Noam Unger, "Strengthening America's Global Development Partnerships: A Policy Blueprint for Better Collaboration between the U.S. Government, Business and Civil Society," Brookings Institution, May 2009, http://www.brookings.edu/~/media/Files/rc/articles/2009/05_development_partnerships_unger/05_development_partnerships_unger.pdf.

29. Binnendijk and Cronin, "Civilian Surge," 13.

10. What structural shifts could serve to systemically raise the profile of development?

Development policy as a whole and assistance in particular must be fundamentally strengthened. In conjunction with the swearing-in of Rajiv Shah, USAID's new administrator, Secretary of State Hillary Clinton recently announced her intention to rebuild USAID into the world's premier development agency. What will this mean given that the current U.S. structure involves multiple development agencies? At an organizational level, various arms of U.S. government development assistance efforts should be much more closely coordinated and even consolidated so that they are more powerfully represented by a single, dedicated champion. In the current context, a bold but realistic option is to bring these elements—such as USAID, the MCC, and PEPFAR—closely together under an empowered USAID administrator. The administrator could act as the leading voice representing development as a discipline with distinct expertise, training, and resources to bear on national security policy formulation and implementation.

Structurally, to fulfill the vision of development as a key pillar of U.S. national security and foreign policy, the principal development agency of the U.S. government needs to have greater clout in the interagency arena. Achieving greater parity with the State Department and DOD in this regard does not necessarily require that the administration move so far as to establish a Cabinet-level department for development, but it does mean finding meaningful ways to raise the profile of the development function as a distinct voice in policy discussions at all levels of the government that address poor and fragile nations. As Anne-Marie Slaughter, the State Department's director of policy and planning, has said, "We see good foreign policy in the 21st Century as requiring equal input from both sides. But . . . they are still distinct expertise, distinct training, distinct resources, and what we want to do is make sure we've got equal strength from the development side and the diplomacy side."[30]

At the start of the Obama administration, the White House issued its first presidential policy directive (PPD-1) , "Organization of the National Security Council System." This directive made no explicit mention of international development nor did it delineate a role for USAID. Now that the administration has placed so much importance on development and sworn in its development leaders, the directive could be amended. This would require nothing more than a White House decision and could be an early outcome of PSD-7.

11. Are the State Department and USAID willing to expend resources to explain the importance of diplomacy and development to Capitol Hill and the public at large?

Several sources have noted the serious problems that the State Department and USAID have managing congressional relationships.[31] The State Department and USAID simply do not enjoy the kind of close and cooperative relationships with their key congressional committees that DOD has cultivated with the House and Senate armed services committees. This situation has

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30. U.S. Global Leadership Coalition, Conference on Putting Smart Power to Work: A Dialogue with the QDDR Leadership, October 14, 2009, video available at http://www.ustream.tv/recorded/2350560.

31. See, e.g., Derek Chollet, Mark Irvine, and Bradley Larson, *A Steep Hill: Congress and U.S. Efforts to Strengthen Fragile States* (Washington, D.C.: Center for Strategic and International Studies, March 2008), 47–48, http://csis.org/files/media/csis/pubs/080320-barton-steephill.pdf; Stephen Johnson and James Jay Carafano, "State Department Ponders Expediency over Effectiveness on Exchanges," Heritage Foundation, June 7, 2006, http://www.heritage.org/Research/HomelandSecurity/wm1115.cfm; and Amy B. Frumin, "Equipping USAID for Success: A Field Perspective," Center for Strategic and International Studies, June 2009, 25–26, http://csis.org/files/publication/090709_pcr_briefing_usaid.pdf.

created a negative feedback loop, whereby the legislative affairs bureaus of these agencies strive to control the information and views to which Congress is exposed, and congressional staff, sensing they are not getting the full story, become frustrated and upset. This often results in the imposition on the executive branch, by legislation or congressional directive, of restrictions and myriad time- and resource-consuming tasks like writing reports—some of which turn out to be so lengthy and complicated that they are never read by members of Congress or their staff.

In short, the State Department and USAID need to find a way to cultivate a culture of trust with key congressional staff and members, and vice versa. This need has been the focal point for a popular proposal within the community of experts focused on reforming foreign assistance for a "grand bargain" between Congress and the executive branch[32]—one that would forge a shared vision of the role and management of U.S. foreign assistance, provide the executive branch with the authority it needs to be appropriately adaptive, and ensure due accountability to Congress and the public. One result of such a broadly consultative process that would forge greater trust could be a reduction in the perceived need for earmarks.

Consistent transparency would be integral to the success of such a bargain. The understanding of Congress, and the American public more generally, suffers from the current lack of comprehensive and comparable information on how much is really being spent on international assistance, by which parts of the U.S. government, where, and for what purposes.[33] Greater accessibility to such timely information, in line with emerging international standards, would enhance the ability of the administration to fully communicate with Congress and American taxpayers on issues of foreign assistance and support for global development efforts. Improved transparency would also reinforce this assistance by helping the citizens of developing countries to hold their governments and aid systems accountable.

32. See Modernizing Foreign Assistance Network, "New Way, New Day: U.S. Foreign Assistance for the 21st Century," June 2008, http://modernizingforeignassistance.net/documents/newdaynewway.pdf.
33. For a more in-depth look at related issues of aid transparency, see the U.S.-focused work of Publish What You Fund, http://www.publishwhatyoufund.org/targets/usa.

3 RECOMMENDATIONS

The assistance given by the United States to poor and fragile countries should be catalytic and transformational—enabling shorter time frames for particularly large-scale and intensive engagements—rather than disjointed, unsuccessful, and unending. Moreover, given the realities of finite resources, opportunity costs, and the limited ability to shape conditions on the ground, the United States must approach reconstruction and development initiatives with a strategic sense, seeking to achieve a corresponding interagency balance with commensurate structural and institutional changes aligned with its strategic approach.

First, with respect to strategy, we recommend that the U.S. government

- Pursue selective bilateral engagement, balanced with leveraged multilateral engagement.
- Pursue specialization and a division of labor among partners in development.
- Establish a National Strategy for Global Development and ensure close alignment between its recommendations and successive Quadrennial Diplomacy and Development Reviews.

Second, with respect to interagency balance and structural changes, we recommend that the U.S. government

- Adopt a unified security budgeting process and increase funding for the Department of State and USAID.
- Elevate and empower USAID, beginning with the amendment of the first presidential policy directive, PPD-1, "Organization of the National Security Council System."
- Divide up and reassign the functions of S/CRS, with interagency coordination responsibilities housed at the National Security Council.
- Craft a civilian-military road map for transferring assistance authorities and responsibilities to civilian agency control

Third, with respect to institutional changes, we recommend that the U.S. government

- Build up the cadre of technical experts in partnerships and the design, management, monitoring, and evaluation of projects and programs.
- Develop robust policy planning capacities at both the Department of State and USAID.
- Prioritize training on assistance issues and preparation to perform assistance functions.
- Transform the executive branch's congressional relations and public communication on assistance issues.

Strategy

In a speech to the United Nations General Assembly, President Barack Obama articulated a vision for international cooperation that seeks to promote peace and security, preserve the planet, work for a global economy that advances opportunity for all people, and negotiate nuclear nonproliferation and disarmament.[1] His vision ties in well with the three overarching goals that should form the framework for foreign assistance: to reduce poverty and human suffering, to support the emergence of capable partners, and to mitigate threats.[2] This framework necessarily captures key global objectives—to promote good governance, improve human welfare, maintain and expand allies, and guard against climate change hazards, pandemic diseases, and terrorism.

This approach to foreign assistance should explicitly recognize that in addition to maintaining an adequate ability to respond to crises, the United States must find a way to successfully emphasize the prevention of crises. And these prevention efforts should address not only traditional conflict areas but the full range of causes of instability—including, for example, the lack of economic opportunity, humanitarian emergencies, and weak justice systems.

President Obama also identified a key limitation on achieving his vision: the fact that the job is too large and difficult for the United States to do alone. This means that the United States must also focus on maintaining and expanding its alliances, because coordination with and reliance on other countries and institutions is a necessity, not a choice. As a result, the United States must establish what it will do, uniquely, and what it will rely on partners to do. Such big-picture thoughts on goals and limitations can help to form the heart of a strategic approach to both poor and fragile countries across bilateral and multilateral assistance efforts.

Pursue Selective Bilateral Engagement, Balanced with Leveraged Multilateral Engagement.

Recognizing that it cannot actually do everything everywhere, the U.S. government should choose a more limited set of countries on which to concentrate its committed bilateral assistance efforts. The calculus of country selectivity should be based on a clear short list of objectives, taking into account political and economic strategic importance. With respect to poor and fragile countries, the selection process must also factor in which countries have the greatest need because of instability and poverty, and which ones offer the best chance for having a transformational impact (internally and within their region), as measured by their policies, institutions, and geographic neighborhood. A group of 45 or even 40 countries is not inconceivable as the target for concentrated U.S. bilateral development efforts, for it could include those nations that are top priorities from a political and security perspective as well as the more strategic MCC-eligible countries and others that particularly resonate with key U.S. initiatives. Where necessary to maintain or achieve specific diplomatic or other goals in non-selected countries, the United States should maintain a small but highly visible aid presence and/or elevate non-aid aspects of engagement, such as trade and investment.

To complement this high-impact bilateral focus on select countries, the United States should expand upon its current position as the largest bilateral contributor to multilateral organizations. Thus, it could leverage its role as a leader with great influence on the significant resources

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1. Speech to the United Nations General Assembly, September 23, 2009.
2. This articulation of foreign assistance goals is an adaptation based upon Lael Brainard, ed., *Security by Other Means: Foreign Assistance, Global Poverty, and American Leadership* (Washington, D.C.: Brookings Institution Press and Center for Strategic and International Studies, 2006), 10.

deployed across many countries by these organizations—including the World Bank, the International Monetary Fund, the United Nations' specialized agencies, the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and other multilateral funds that may be further developed to tackle challenges such as climate change and other important issues, like universal education. The United States could then rely more heavily on its multilateral leadership role to fill perceived gaps in its bilateral engagement resulting from greater country selectivity.

This approach will necessarily require a greater role for U.S. diplomats in engaging far more intensely with multilateral development organizations, which in turn may require a greater dedication of staff and expertise to such efforts. Additionally, U.S. diplomats, as a matter of strategy, will need to embrace multilateral partnerships to fully demonstrate America's commitment and involvement beyond the countries selected for its bilateral assistance focus.

Pursue Specialization and a Division of Labor among Partners in Development. The United States should embrace an identity as a country that excels in certain areas of assistance to poor and fragile countries. For optimal impact, specialization and a division of labor must be based on an analysis of the types of assistance that it makes the most sense for certain countries and development actors to offer. In this context, the United States should concentrate on what it can do most effectively and efficiently, given all the types of assistance it could provide. This calculus should take into account the United States' size as a bilateral and multilateral donor, its geopolitical clout, and unofficial aid and development finance flows. A few potential examples are rapid humanitarian and crisis-response operations, with planned, speedy handoffs to local and international partners; such security-related development matters as nuclear nonproliferation and issues related to the rule of law; and health programs.

Although the United States has the potential to bring various types of technical and contextual expertise to bear on any given area of focus, and though this focus could help with donor harmonization at a macro level, steps in this direction must be carefully balanced with attention to imperatives at the country level. A coordinated division of labor among partners at the country level can also contribute to the effectiveness of assistance. Therefore, the U.S. government's global assistance strategies must feed into country-level approaches, but the reverse is also true, in terms of what the United States should be prepared to deliver.

To make this approach successful, the United States must transform its diplomatic engagement on assistance issues, pursuing thorough diplomacy with bilateral and multilateral partners to ensure that shared assistance goals in poor and fragile countries are being met. Through such diplomatic engagement, the United States must successfully leverage the assistance and other capacities of all actors, including other bilateral donors, multilateral institutions, the suppliers of nonofficial aid and development finance, and all groups offering nonassistance forms of engagement. The United States could also identify opportunities to support the successful programs of other donors, and thereby it could reinforce these donors' specialized capabilities in key areas.

As a first step, the United States should conduct its own evaluation of all programs of international organizations—including, but not limited to, the programs of the United Nations, the major bilateral donors, and the major privately funded nongovernmental organizations—to see where there are opportunities to decrease overlap and remove conflicts with U.S. efforts. Such evaluations have been done by many USAID missions and embassies in countries where the United States gives assistance. But a more comprehensive and holistic evaluation is needed—one that looks not only at specific projects in a country but also at the broader capacities, strategies, and directions of such endeavors.

With a solid idea of the relative strengths of other actors, the United States could begin to formulate broadly synergistic partnerships. However, to enable these more integrated strategies and operations to achieve success, more and more U.S. government officials must become "interface experts" who can closely coordinate the efforts of their agencies with those of other parts of the U.S. government, as well as those of U.S. allies, international organizations, civil society organizations, and private businesses.

ESTABLISH A NATIONAL STRATEGY FOR GLOBAL DEVELOPMENT AND ENSURE CLOSE ALIGNMENT BETWEEN ITS RECOMMENDATIONS AND SUCCESSIVE QDDRS. To guide U.S. global development efforts through such strategic shifts as are required over time, the Obama administration's current policy examination should result in the establishment of a dedicated iterative strategy review process, in part focused on effective foreign assistance but also aiming to forge coherence across development policy instruments like trade, debt, and other areas. This National Strategy for Global Development could routinely serve as a substantive expansion on the National Security Strategy and could comprehensively stipulate objectives, roles, and responsibilities across the full range of U.S. agencies and policy tools that affect development.[3] It could also serve as a cross-cutting strategic overlay for the capabilities requirements captured by the QDDR, which should continue beyond the current inaugural version. In the near term, to successfully steer reforms, the guidelines and policies resulting from Presidential Study Directive–7 and the QDDR should be aligned, and U.S. government resources should link directly to strategy. The same would be true for a National Strategy for Global Development and future iterations of the QDDR.

Interagency Balance and Structural Changes

After formulating an effective strategy, the next step is aligning the capacities of the U.S. government to fit this strategy and the overall mission. President Obama's articulated approach to global engagement is not solely, or even mostly, oriented toward leading through military action but instead emphasizes a smart power approach that empowers civilian international affairs agencies. Therefore, the resource amounts and personnel numbers at the Department of State and USAID need to be increased so they are commensurate with this smart power approach.

ADOPT A UNIFIED SECURITY BUDGETING PROCESS AND INCREASE FUNDING FOR THE DEPARTMENT OF STATE AND USAID. In the longer term, elevating the influence, resources, and capacity of U.S. government diplomacy and development means increasing funding for the civilian foreign affairs agencies. In a time of rising budget deficits, a zero-sum budget game may

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3. The call for a National Strategy for Global Development has also come from the Modernizing Foreign Assistance Network, of which Noam Unger is a part. In March 2009, this recommendation was made in an open letter to President Obama signed by more than 140 influential individuals and organizations, http://www.modernizingforeignassistance.net/network/open_letter_to_obama.php. It was also one of the priorities called for by signatories to the White Oak Recommendations on Effective Global Development in the U.S. National Interest, organized by Oxfam America and the Center for American Progress in March 2009, http://www.oxfamamerica.org/files/white-oak-recommendations-on-effective-development-in-the-national-interest.pdf. For more, also see Reuben Brigety and Sabina Dewan, "A National Strategy for Global Development: Protecting America and Our World through Sustainable Security," Center for American Progress, May 2009, http://www.americanprogress.org/issues/2009/05/pdf/brigety_dewan_security.pdf.

by necessity mean a shift of resources, at the appropriations level, from DOD to civilian agencies. Though this approach does not mean that funds or personnel numbers should be the same across the three Ds—defense, diplomacy, and development—it is clear that vastly more resources need to be devoted to the civilian side.

Moving toward a unified security budget, with increased resources for diplomacy and development, would be a good start.[4] Such an approach, which would include the budgets for the military, homeland security, diplomacy, and development, would allow for adequate input on the relative importance of diplomatic and development issues—both in terms of dollar amounts and legal authority—at an appropriate stage in the budget appropriations cycle. Even if a totally unified security budget is not politically palatable in Congress, at the very least, serious coordination among all three agencies on budget issues must be achieved. As a process meant to review and identify the necessary diplomacy and development capabilities that must be strengthened, the QDDR could serve as a logical base—in combination with DOD's Quadrennial Defense Review—from which to begin the coordination of budgeting efforts. Moreover, substantial participation and input by USAID at all stages in the budgeting process is an absolute necessity.

Elevate and Empower USAID, Beginning with the Amendment of PPD-1. In dealing with issues of engagement in poor and fragile countries, civilian agencies need clout and representation in the interagency arena that matches that of DOD. The focus on improving civilian-led efforts is rooted in an understanding that employing only a military response in dealing with the problems the world is facing will not meet U.S. national security interests. If this impulse is to have meaning, then voices for diplomacy and development must have a dynamic and influential role.

In this regard, the profile of development has a longer way to be raised than the traditional diplomatic voice of the State Department. Development policy as a whole and assistance in particular must be fundamentally strengthened. At an organizational level, the various arms of U.S. government development assistance efforts (especially USAID, the MCC, and PEPFAR) should be consolidated—or at the very least much more closely coordinated—so that they are more powerfully represented by a single, dedicated champion. To accomplish this, therefore, an empowered USAID administrator should act as the leading voice representing development as a discipline with distinct expertise, training, and resources to bring to bear on the formulation and implementation of national security policy.

To realize the vision of development as a key pillar of U.S. national security and foreign policy, the principal development agency of the U.S. government needs to have greater clout, with a distinct voice in relevant interagency policy deliberations at all levels of decisionmaking, from missions in the field to principals' discussions at the White House. Development should have its own seat at the tables of the National Security Council and the National Economic Council, and a stronger effort should be made at all levels to ensure that development, diplomacy, and defense are given equal consideration in formulating policy. Though congressional support for the elevation and empowerment of development has been building for the past few years, a straightforward way for the Obama administration to begin such reform without the need for any legislation is to amend Presidential Policy Directive–1 so that the president delineates a clear and senior role for USAID within the organization of the national security system. Such an elevation of development should lend a much-needed longer-term view to a U.S. government foreign policy community

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4. Institute for Policy Studies, "Report of the Task Force on a Unified Security Budget for the United States FY 2010," *Foreign Policy in Focus*, November 2009, http://www.ips-dc.org/getfile.php?id=461.

more accustomed to putting out fires after they have started than putting effective measures in place to prevent problems.

DIVIDE UP AND REASSIGN THE FUNCTIONS OF S/CRS, WITH INTERAGENCY COORDINATION RESPONSIBILITIES HOUSED AT THE NATIONAL SECURITY COUNCIL. Whole-of-government coordination on matters related to stabilization, reconstruction, and conflict transformation has proven to be a vital national security requirement and a persistent challenge. S/CRS has demonstrated the weakness of a model in which a dedicated functional bureau within the State Department is expected to coordinate high-intensity and high-profile engagements involving more influential regional bureaus within the department as well as other departments and agencies across the government. The productive efforts of S/CRS on crafting a high-level interagency management system should now be fully transferred to the National Security Council so that it can effectively be put to appropriate use by the entity in the executive branch that can demand coordination. Within the NSC, this responsibility should fall—with a commensurate increase in resources—to what is currently the Relief, Stabilization, and Development Directorate, which has been highly involved in the efforts and evolution of S/CRS since its inception. The two other key functions of S/CRS could also be transferred, with the operational responsibilities of building and maintaining the Civilian Response Corps resident at USAID, and the planning support to regional bureaus integrated into more robust policy planning offices at both the State Department and USAID.

CRAFT A CIVILIAN-MILITARY ROAD MAP FOR TRANSFERRING ASSISTANCE AUTHORITY AND RESPONSIBILITIES TO CIVILIAN AGENCY CONTROL. Given the current political and practical realities, it likely makes the most sense to reconcile the competing smart power narratives outlined in section 1 by pursuing a third way that allows for the transition of key functions and authorities from military to civilian hands over time as civilian agency capacity grows stronger, while also recognizing the value of an expansive military role in certain contexts.[5]

The keys to this reconciliation are a shared vision and confidence building. As the Obama administration takes steps to strengthen the capacity of civilian agencies, the leaders of this initiative must demonstrate to Congress that they have an overarching plan to get the necessary appropriations and authorities. Given DOD's rooted constituencies in every district of the nation, members of Congress see greater political benefit from investing in the military than investing in U.S. foreign affairs agencies, and as long as they believe DOD has a significant capacity to execute stability operations, it will be difficult to persuasively argue for the expansion of civilian capacity.

The White House should ensure that officials of the Department of State, USAID, and DOD collaborate to create a road map for a benchmarked transition of certain key functions and authorities from the U.S. military to civilian hands. As civilian agencies' capacity improves, measured by concrete milestones, all actors will feel more confident that the transition of each particular function, at discrete times, is appropriate. And both executive and legislative branch stakeholders will be in a better position to understand the arc of civilian capacity investments over time.

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5. The Stimson Center has a project focused on facilitating discussion between the executive branch and Congress on how to transition authorities, responsibilities, and funding to the civilian institutions as these institutions develop the capacity to handle them. Stimson Center, "A New Way Forward: Rebalancing Foreign and Security Assistance Programs and Authorities," September 4, 2009.

As a process meant to review and identify the necessary diplomacy and development capabilities that must be strengthened, the QDDR could serve as a logical platform—in combination with DOD's Quadrennial Defense Review—from which to develop and implement this plan, which would also reasonably fall within the scope of a unified national security budgeting exercise. The plan should articulate which capabilities require the military to have lead authority, and it should also differentiate between contexts in which the United States is a party to war, other violent conflicts, and less hostile environments.

Clearly, there is value in having DOD take on an expansive assistance role in wartime situations, but what DOD's role should be in preventing crises and after conflicts is less clear. There is ambivalence on the part of Congress about what functions and authorities each agency should have. Close consultation with all the relevant committees in Congress will be a key element of developing and executing such a road map. Members of Congress enabled the expansion of DOD's role for a reason, and they must have confidence that civilian agency leadership is the right move and that incremental, measurable steps have been taken to ensure more effective and accountable use of authority and resources.

However, if the idea of contingency funding for the State Department and USAID to carry out stabilization and reconstruction tasks is any sign, Congress would seem to be amenable to the arguments for shifting resources and authorities. The FY 2010 appropriations legislation for the State Department and foreign operations includes a new contingency account—the $50 million Complex Crises Fund—that seems to, in part, displace the reliance of the State Department and USAID on the transfer authority that had been granted to DOD under Section 1207 of the National Defense Authorization Act.[6] In addition, the recent establishment of the Pakistan Counterinsurgency Capability Fund (PCCF)—a $400 million account—indicated a congressional preference for building civilian capacity and eventually transferring responsibilities to civilian agencies. Although the PCCF was established at the Pentagon, the Conference Report associated with the legislation indicated the Conferees' view that the PCCF "should reside within the Department of State" and directed the secretaries of defense and state to jointly develop a plan for transitioning the account to the Department of State by FY 2010, to be "fully executed" by FY 2011.[7] The president's FY 2011 budget request reflects this change.

Differing visions may continue to present problems. Defense Secretary Robert Gates's December 2009 proposal to Secretary of State Hillary Clinton to create a new model of "shared responsibility and pooled resources" that would address cross-cutting security challenges may present a

6. Section 1207 of the National Defense Authorization Act (NDAA) for Fiscal Year 2006 (PL 109-163), as amended and reauthorized in subsequent FYs, provides authority for the secretary of defense to provide up to $100 million per FY of services, defense articles, and funds to the secretary of state for reconstruction, security, or stabilization assistance to a foreign country. Section 1201 of the NDAA for Fiscal Year 2010 (PL 111-84) reauthorized section 1207 for one more year, through September 30, 2010. The Conference Report for the Department of State, Foreign Operations, and Related Program Appropriations Act, 2010 (Div. F, PL 111-117), December 16, 2009, indicates that, with respect to the new Complex Crises Fund, "USAID and the Department of State should continue to establish and bolster crisis prevention and response capabilities in order to assume most, if not all, of the functions currently funded by the Department of Defense under section 1207 of the National Defense Authorization Act for Fiscal Year 2006."

7. House Report 111-151, accompanying the Supplemental Appropriations Act, 2009 (PL 111-32), June 24,2009, 85.

test case for how the military and civilian agencies will negotiate their respective new roles.[8] The proposal, which is based on a funding model used by the United Kingdom, calls for pooled funding mechanisms for security capacity building, stabilization, and conflict prevention. Each department would seek funding within its budget to contribute to the funding "pools." Programs would be jointly formulated and require "dual-key" concurrence by the secretaries of state and defense. Already the proposal, which was developed at DOD with minimal input from State Department personnel, has been met with skepticism by many within the State Department, USAID, and the broader development community.

Institutional Changes

With the bigger-picture concepts for what would constitute sustainable reform in mind, the next step is to address key changes that are at a more granular level but are nonetheless equally crucial to the success of a new way to assist poor and fragile countries. Too often, important decisions or initiatives on assistance issues are made at a high level that do not take into account the realities of the amount of resources and expertise it takes to implement such new ideas and make them workable. For this reason, special attention must be paid to synchronizing broader recommendations with realities in the relevant agencies.

BUILD UP THE CADRE OF TECHNICAL EXPERTS IN PARTNERSHIPS AND THE DESIGN, MANAGEMENT, MONITORING, AND EVALUATION OF PROJECTS AND PROGRAMS. The U.S. government must recruit and retain sufficient staff with expertise to properly engage in strategic partnerships, and the design, management, monitoring, and evaluation of foreign assistance projects and programs. There is some evidence that USAID has already begun to take significant steps to increase its technical capacity. Much more should be done along these lines at USAID— and also at the State Department, with respect to the types of foreign assistance it provides. Ideally, technical experts would have the ability to advise on technical aspects of projects executed by implementing partners and also be able to deploy to projects directly managed by the agency. In addition, the ability to engage in strategic partnerships with other key development actors would become more of a professionally guided mainstream function than a highly touted boutique operation.

To increase the accountability and oversight of funds and programs, the tremendously important role of contracting and grants officers (as well as functions that support those roles, e.g., training and agency-wide policymaking on such issues) must be expanded commensurate with the size and number of grant and contract instruments that are used to implement assistance programs for poor and fragile countries. Funds to support this function should come from operating expenses, not foreign assistance program funds, so that the amount provided for foreign assistance relative to an agency's operations is more transparent and less distorted. Moreover, USAID and State Department grant formats—both in Washington and in the field—should be made more consistent

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8. See Memorandum from the Secretary of Defense to the Secretary of State, "Options for Remodeling Security Sector Assistance Authorities," December 15, 2009, http://www.washingtonpost.com/wp-srv/nation/documents/Gates_to_Clinton_121509.pdf; and Remarks as Delivered by Secretary of Defense Robert M. Gates, Nixon Center, Washington, February 24, 2010, http://www.defense.gov//speeches/speech.aspx?speechid=1425.

and predictable to streamline negotiations with NGOs and programs of international organizations. Finally, an increased capacity to evaluate the effectiveness of foreign assistance programs needs to be developed, which in turn will make it possible to determine whether the U.S. government is actually achieving its broader goals for its assistance resources.

DEVELOP ROBUST POLICY PLANNING CAPACITIES AT BOTH THE STATE DEPARTMENT AND USAID. Another key to empowering diplomacy and development within the interagency national security policymaking process is policy planning capability. There is little logic to support the significant discrepancy between the planning culture and capabilities of DOD and those of civilian international affairs agencies. Policy planning capability on the civilian side should emphasize (1) leading through anticipation and prevention, (2) prioritization and preparation, and (3) operationalizing smart power policies.

At both the State Department and USAID, policy planning resources and capabilities should be scaled up. Within USAID, the Obama administration should most expeditiously set up an official policy office, and it could do so by reestablishing and reenvisioning the Bureau for Policy and Program Coordination, which was eliminated by the George W. Bush administration. Considering the different mandates and expertise of development and diplomacy, but also the necessarily close relationship between USAID and the State Department, distinct policy planning offices should exist in each of these agencies, but they should also collaborate and coordinate with one another. Additionally, the capabilities within each should include not only high-level policy guidance but also strategic programming and detailed and dedicated operational planning. Policy planning recommendations should be tied directly to funding requests and be coordinated with the planning efforts of other relevant agencies and international partners.

PRIORITIZE TRAINING ON ASSISTANCE ISSUES AND PREPARATION TO PERFORM ASSISTANCE FUNCTIONS. In addition to beefing up the staffs of the State Department and USAID, these agencies must be given more personnel slots that are dedicated full time to training. A robust training capacity on assistance issues must be developed and used by personnel from all U.S. government agencies that engage in or interact with international assistance initiatives. In addition, there should be more opportunities for U.S. government assistance professionals to be promoted and to rotate into other agencies performing assistance functions so as to increase the interagency understanding of assistance programs and promote whole-of-government objectives.

Diplomacy and defense officials of the State Department and DOD also must gain a much more nuanced understanding of, and appreciation for, the importance of global development issues; how effective development assistance programs are designed and implemented; and the importance of non–U.S. government actors and non-state actors in the assistance field. These goals could be achieved by ensuring that the staffs of the pertinent agencies—including the State Department, USAID, the MCC, and DOD—cooperate and collaborate more closely and systematically along regional or country-specific lines.

Much ink has been spilled, and efforts exerted, on how best to build a civilian capacity to respond to conflicts. Given the uncertainties about when and how such a capacity may be used, and what, precisely, its political goals should be (i.e., nation building vs. securing minimum U.S. national security interests), the United States' cadre of assistance professionals should be well trained, easily mobilized, and adequately resourced to achieve the outcomes they are called upon to deliver.

Most U.S. government assistance personnel should be assigned to and trained for longer-term development work while also having the ability to deploy quickly, when needed, to respond to crises. Ongoing skills-building courses in both noncrisis development work and crisis-response work should be the norm, for example, for USAID Foreign Service Officers. Recruits need to understand that they are being trained for a variety of missions because they may be deployed on a wide range of missions.

Because civilian agencies do not have the same ability as that of the military to call up and deploy resources on a command basis, a culture of "deployability" should be created in the assistance function in civilian agencies. Individuals interested in working for the State Department and USAID Foreign Service Corps should be recruited with the clear expectation that they will serve overseas in conflict-ridden, poverty-stricken places for much of their careers. The expectation that serving in a so-called hardship rotation will later result in a plum assignment must change. State Department recruits into the Foreign Service and many parts of the Civil Service should understand that their jobs will necessarily require knowledge of assistance issues (development, security, and other types of assistance provided by the U.S. government), in addition to policy and diplomacy issues.

Transform the Executive Branch's Congressional Relations and Public Communication on Assistance Issues. The roles of the public affairs and congressional liaison offices at the State Department and USAID need to be reenvisioned and transformed with respect to assistance issues. Both agencies, with congressional input and support, should be encouraged to take more responsibility for informing the U.S. public about their efforts and the importance of civilian assistance to foreign countries. And both agencies need to be able to effectively communicate why assistance—particularly assistance focused on prevention—and increased civilian capacity are as important for U.S. national security and international prosperity as the efforts of the U.S. military. As civilian capacity and skills grow stronger, this story will hopefully become easier to tell.

With respect to better public communication through greater transparency, a publicly accessible Web site should enable anyone to understand, with a few clicks of a mouse, how much U.S. government aid (across all agencies) is being spent, by sector, across global programs and for each country in the world. Through innovative online efforts like Recovery.gov, the Obama administration has already demonstrated a strong commitment to funding transparency. A similar effort should be applied to foreign aid. This would enhance the administration's ability to fully communicate with Congress, American taxpayers, and international constituencies on issues of foreign assistance and U.S. support for global development efforts. In line with this effort, the U.S. government should also join and actively help shape the International Aid Transparency Initiative—a new, multistakeholder effort to increase the availability and accessibility of information about international aid.[9]

On the personnel side, career-boosting incentives and robust training should be developed to ensure that the public affairs and congressional liaison offices at the State Department and USAID are adequately staffed with first-rate communicators with field experience in assistance issues. Legislative affairs professionals should be prepared to reinforce, in every possible way, requests

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9. The International Aid Transparency Initiative was launched at the Accra High Level Forum on Aid Effectiveness in September 2008, and currently has 16 donor signatories. http://aidtransparency.net/about-iati/.

for adequate funds and, more generally, engage with Capitol Hill in ways that garner rather than repel congressional support. They should rightly position themselves as assets with value-added expertise within the State Department and USAID, while refuting the perception that they are merely gatekeepers limiting Congress's access to information and expertise in the agencies. Most important, they need to lead strategically within their agencies and on the Hill, rather than solely reacting on an ad hoc basis to developments driven by Congress.

APPENDIX A: DEPARTMENT OF DEFENSE EXPANSION

Department of Defense Instruction 3000.05

DOD Instruction 3000.05, a policy statement that was first issued in November 2005 as a DOD directive, addresses the military's role in stability operations, defined as "military and civilian activities" that support stability in foreign countries. The directive elevated stability operations to a "core U.S. military mission . . . comparable to combat operations," thus officially expanding the traditional defense mandate in a way that was controversial both within DOD and beyond. As re-issued in September 2009, the revised DOD Instruction 3000.05 narrows the definition of stability operations to "various military missions, tasks, and activities" to be undertaken "in coordination with other instruments of national power." This shift may indicate a view within DOD that stability operations remain a critical part of its mandate, but that such operations require robust partnerships with civilian agencies to be successful.

U.S. Africa Command

The U.S. Africa Command (AFRICOM), which was created in 2007, is the first U.S. combatant command focused solely on Africa. Currently headquartered in Germany, AFRICOM is responsible for U.S. military relations with every country in Africa except Egypt, and it is unique among the combatant commands in focusing on "war prevention rather than war fighting," indicating a strong focus on conflict prevention and crisis response.[1] AFRICOM's mandate states that it will work with African governments and other U.S. government entities to support the emergence of stable societies that promote development and local capacity generation for crisis response across the continent, thereby representing somewhat of a departure from DOD's traditional focus. AFRICOM is an important interpretation of the ideas expressed in DOD Instruction 3000.05, because its mission is directly linked to the continent's stabilization.

Commander's Emergency Response Program

The Commander's Emergency Response Program (CERP) provides government funding directly to tactical and operational forces to allow commanders to address emergency civilian needs, focusing on small-scale, emergency humanitarian projects. CERP was initially funded with the seized assets of the deposed Iraqi government following the United States–led invasion, and it was intended to respond to pressing humanitarian and reconstruction needs in Iraq. As this money began to run out, the George W. Bush administration asked Congress to fund CERP for projects in both Iraq and Afghanistan. Under questioning from Congress, representatives of the Joint Chiefs

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1. See the United States Africa Command Web site, http://www.africom.mil/AboutAFRICOM.asp.

of Staff likened CERP to "a stabilization tool no less essential to victory than the world's finest military equipment."[2] Congress initially agreed to provide $180 million a year for CERP, which had increased to $500 million by 2005. The 2009 National Defense Authorization Act approved $1.5 billion for CERP in 2009, expanding its purview to include Iraq, Afghanistan, and the Philippines.[3] The steady increase in CERP funding and its expansion beyond the Iraqi context are indicative of DOD's growing role in reconstruction and stabilization efforts.

Funding for Overseas Humanitarian, Disaster, and Civic Aid

As managed by the Defense Security Cooperation Agency, funding for Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) supports DOD and combatant command efforts to enhance security cooperation with U.S. allies and other potential partners by providing humanitarian assistance, de-mining, and local capacity-building programs. The OHDACA appropriation predates the recent drift of stabilization and reconstruction authority toward the military, although funding levels have generally seemed somewhat higher during the last five years. OHDACA funding covers the DOD Humanitarian Assistance Program, which features a prominent disaster response portfolio, as well as a focus on preventing future humanitarian crises. OHDACA funding supports more than 200 projects annually, and in 2008 the budget for these programs was more than $101 million.[4]

Provincial Reconstruction Teams

Provincial Reconstruction Teams are mixed military-civilian units consisting of military officers, diplomats, and reconstruction experts that work together to implement provincial-level development projects in Iraq and Afghanistan. The PRTs' integrated structure allows them to operate in areas that might ordinarily be considered too dangerous for civilian programs. Because they were led by military officers with representation from the relevant civilian agencies, the PRTs were controversial in some quarters due to the belief that such close collaboration between military and development or humanitarian workers would further blur the line between military operations and humanitarian assistance, which many humanitarians believe must be strictly separated from political objectives.

Section 1206 of the 2006 National Defense Authorization Act

Section 1206 of the 2006 National Defense Authorization Act (NDAA) established a program that allows DOD to spend up to $350 million of its own appropriations to train and equip foreign military forces to undertake counterterrorism and/or stability operations. The need for such a

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2. Mark S. Martins, "The Commander's Emergency Response Program," *Joint Force Quarterly*, April 2005, 49, http://www.dtic.mil/doctrine/jel/jfq_pubs/0937.pdf.

3. Stimson Center, "A New Way Forward: Rebalancing Foreign and Security Assistance Programs and Authorities." September 4, 2009.

4. U.S. Defense Security Cooperation Agency, "Department of Defense Fiscal Year 2008 Report on Humanitarian Assistance (HA)," February 2009, http://www.dsca.mil/programs/ha/2009/FY08%20HA%20 Report%2010%20U%20S%20C%202561.pdf.

program is not controversial, but some believe that it would be more properly funded through the foreign affairs budget and placed under the authority of the secretary of state. In theory, any proposals for Section 1206 funding must be submitted by joint combatant command-embassy teams, and then approved by both the secretaries of defense and state. The program, which is currently set to expire at the end of FY 2011, has primarily been used for counterterrorism training, with a total of $293 million spent in FY 2008. Section 1206 represents an expansion of DOD's authority to train foreign military forces using its own appropriated funds. Previously, such training had been done mostly using State Department funds. The change was in part motivated by the belief that more such programs were needed, but that State Department procedures were "too slow and cumbersome" to be effective.[5]

Section 1207 of the 2006 National Defense Authorization Act

Section 1207 of the 2006 National Defense Authorization Act authorizes the secretary of defense to transfer up to $100 million to the secretary of state in order to fund civilian programs that support stabilization and reconstruction activities. This is significant in that it creates a mechanism for civilian programming that is channeled through DOD, rather than directly supporting civilian agencies. To access funding, an interagency team—including the U.S. embassy, the USAID field office, the Department of State's regional bureau, and the regional combatant command—design a proposal that will support greater stability in the relevant country. As of June 2009, $94.8 million had been transferred to the State Department under Section 1207, and in its FY 2010 budget proposal, DOD requested that the cap be raised to $200 million. In practice, Section 1207 funds have largely gone to support activities of the State Department and USAID, coordinated by the State Department's Office for the Coordinator of Reconstruction and Stabilization, in 14 countries. Then–secretary of defense Donald Rumsfeld and then–secretary of state Condoleezza Rice advocated for the creation of Section 1207, recognizing that Congress had not adequately funded S/CRS, and believing that support for the new office would be easier to obtain through the defense appropriations.[6] Congress agreed, but noted that the arrangement was not an appropriate solution over the longer term, indicating that support for the program could be limited.

Stability Operations Field Manual

DOD released the *Stability Operations Field Manual* (*FM* 3-07), its first such manual, in October 2008, offering a guide to stability operations conducted by the United States around the world. *FM* 3-07 is intended to share knowledge and best practices across military and civilian government agencies, as well as with nongovernmental agencies with which the military engages. *FM* 3-07 also serves as an affirmation that DOD is highly involved in stability operations, and that its efforts to aggregate the lessons learned from past operations is an important reflection of the military's commitment to participating in stability operations and improving its practices in such contexts. Critics have argued that *FM* 3-07 constitutes a further encroachment of DOD into what should rightfully be a civilian mandate.

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5. Nina M. Serafino, "Section 1206 of the FY2006 National Defense Authorization Act," Congressional Research Service, September 28, 2009, http://fas.org/sgp/crs/natsec/RS22855.pdf.

6. Robert M. Perito, *Integrated Security Assistance: The Section 1207 Program* (Washington, D.C.: U.S. Institute of Peace, July 2008), http://www.usip.org/files/resources/sr207.pdf.

Combined Joint Task Forces

A combined joint task force (CJTF) comprises more than one military service and counts representation from more than one country. CJTFs are focused on a particular mission and have been deployed by DOD in a number of areas to engage in unconventional warfare, military to military training, short-term humanitarian services, medical programs, and local capacity building, among other programs. The CJTF in the Horn of Africa, for example, focuses on promoting stability, preventing conflict, and protecting the United States' and its partners' interests by curbing extremism, conducting humanitarian operations, and building a relevant local capacity. Similarly, CJTFs in Afghanistan directed Enduring Freedom operations, including initiatives against al Qaeda, training the Afghan National Army, and providing humanitarian assistance. One such CJTF, which was active in Afghanistan from June 2002 to April 2004, raised eyebrows because of its close association between war fighting and humanitarian assistance at both the policy and operational levels.

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