

The Roots of the
United States'
Deteriorating
Civilian Capacity
and Potential
Remedies

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Improving US National Security: Options for Strengthening US Foreign Operations

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Executive Summary

The need to renovate and reinvigorate US foreign operations has been highlighted by the leading presidential candidates, although none of them has laid out a well-developed plan to do so. This essay builds upon the nascent campaign debate to identify the top policy options for the next administration and evaluate how difficult the various proposals would be to implement. Because US foreign assistance programs have been so prominent in the debate, the authors focus on two prominent options: the call for a new Cabinet-level agency for development, and the recommendation to use the State Department's "F process" to improve interagency coordination. Based on their assessment of the strengths and weaknesses of each idea, the authors propose a "hybrid model," combining the best aspects of both, with the following assumptions and elements:

- The United States has relations with, and interests in, nearly every country on the globe. US government engagement with the rest of the world naturally will be multifaceted and complex. This poses a challenge to the crucial task of priority setting: how to focus on the most important objectives without neglecting key aims that are also important to American interests.
- Regardless of the need to give development issues more attention and priority at the Cabinet level, creating a new department is at best a partial solution and will not end the lack of coordination and direction in US foreign operations.
- Setting up a new National Security Council staff directorate to coordinate foreign assistance and international programs would link all foreign assistance programs

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(across the entire US government) and operations of the international affairs agencies to White House policy deliberations.

- A strengthened, modernized, and well-resourced United States Agency for International Development (USAID) should draw together the best possible team of development professionals to tackle global threats to economic growth. The agency's administrator would be the recognized lead on development policy, have a seat at every relevant meeting of the deputies committee, and represent the US government at international conferences on development issues.
- A new, added deputy secretary of state for foreign operations, dual-hatted as the USAID administrator, should have primary responsibility for foreign assistance (and possibly also for State operations). An expansion of the existing Office of the Director of Foreign Assistance (F) would help manage budget planning and coordination. New positions should also be created for the appointment of senior assistance coordinators for every region of the world with authority over substantial aid funds to take the initiative in sustaining the right mix of programs (short- and long-term) and ultimately to achieve results in the field.
- Congress has an important role in considering, authorizing, and funding new and more effective ways to conduct US foreign operations. A new administration must include Congress as a partner in designing and implementing changes. Indeed, any failure to do so will undermine, and potentially doom, the chances for reform or modernization.

New Consensus on Reform and Reinforcement of US Foreign Operations¹

A number of factors are driving a significant reappraisal of how the US government engages with the rest of the world. In Afghanistan and Iraq, US-led military operations confront instability and systemic weaknesses, and US civilian agencies struggle to address this dynamic. This situation has cast a harsh spotlight on a policy over recent decades to invest heavily in building the world's largest and most technologically-advanced military without a concomitant investment in diplomacy and foreign assistance.

This disparity and the need for a remedy were identified years ago, but recent events have shown how this choice has crippled the conduct of US foreign policy.

A growing number of members of Congress, government officials, think-tank analysts, and aid agency leaders are interested in these issues and want to prompt a change in the US approach to engagement. Think tanks are devoting increased attention to the US national security infrastructure and examining options for changing and strengthening US civilian agencies. Indeed, at least 40 reports have been issued in recent years with recommended improvements in US foreign assistance or the conduct of US foreign relations (a companion paper to this one by Craig Cohen and Noam Unger examines many of them). To cite a few notable examples, Representative Frank Wolf (R-VA) pressed for the creation of a Helping to Enhance the Livelihood of People around the Globe Commission (HELP) on foreign-assistance reform. The commission report, "Beyond Assistance," has contributed to the foreign aid debate.² Several other reports, such as the one issued by the Smart Power Commission, have attracted attention from the press and Congress.³

In addition, senior defense officials—notably Secretary of Defense Robert Gates and groups of retired generals and admirals—have echoed the urgent need to equip the civilian agencies with enhanced staff and resources. Gates identified several international programs, including "economic development, institution building and the rule of law, promoting internal reconciliation, good governance, providing basic services to the people, training and equipping indigenous military and police forces, [and] strategic communications," as essential ingredients for long-term success in Iraq and Afghanistan.⁴ The wars in Iraq and Afghanistan have thus highlighted the importance of civilian agencies in reconstruction and stabilization efforts. Because the civilian agencies receive limited resources in these areas, however, the Defense Department now runs a larger part of the foreign aid program. Several studies have wrestled with ways to improve US programs for reconstruction and stability operations—functions traditionally led by civilian experts and funded in the international affairs budget. These post-conflict functions are, of course, merely one of many modes in which the United States relates to other countries around the world.

Most promising of all, the need to renovate and reinvigorate US foreign operations has been highlighted by the leading presidential candidates, although neither of them has laid out a well-developed plan to do so. This essay will build upon this nascent campaign debate to identify the top policy options for the next administration and evaluate how difficult the various proposals would be to implement. Indeed, there are far more options being discussed than can be sensibly implemented, and some are mutually exclusive. We will evaluate the likelihood of implementing the most prominent options, and narrow our discussion to those options we believe should be considered early in the next administration.

Because US foreign assistance programs have been so prominent in the debate, we will focus on two main options for reinvigorating the foreign assistance apparatus. One is the call for a new Cabinet-level agency for development, and the other is a recommendation to use the State Department's "F process" to improve coordination across agencies that deliver assistance. This paper will analyze the strengths and weaknesses of each idea. In the end, we recommend a "hybrid model" that combines the best aspects of both. It consolidates some of the development agencies without creating major new departments. The hybrid model also would give key personnel the responsibility and capacity to coordinate, plan, and oversee international programs. These officials would be well situated to evaluate further options for improving US foreign operations and make recommendations. In other words, these steps would be viewed as groundwork for further action. Unlike many other options, this hybrid model would not require new legislation, so it could be implemented rather quickly. Even so, we strongly support extensive consultations with Congress, which are a key element of any effort to reform foreign assistance.

Given that the next administration's policy agenda will inevitably be shaped by the current political campaign, the foreign policy goals and positions on which the top contenders have campaigned in early 2008 merit review.⁵

Global Engagement With a Purpose

Since the government's international affairs agencies are instruments through which the United States pursues its interests and aims, they must have clear objectives. What is America's national

security strategy for global engagement? What is the best mix of US presence and programs abroad to project American values and protect national interests? This paper does not propose a new national security strategy, but a new administration must articulate one and provide a coherent vision of US foreign policy priorities. Some clues to the strategy that the next president might embrace can be found in the candidates' statements.

A coherent strategy does not necessarily mean condensing US national security priorities, goals, and objectives into a simple catchphrase. US national interests are broad and varied, so it is no surprise that a Brookings study identified some 50 objectives for US aid.⁶ To some, the large number of objectives and international affairs budget accounts are evidence of confusion and poor coordination. The United States has relations with—and Americans have interests in—nearly every country on the globe. US government engagement with the rest of the world naturally will be multifaceted and complex. It is indeed important to have priorities, but narrowing the list to too few objectives may result in neglect of key foreign policy objectives that are important to American society and its interests.

Even so, it is hard to deny that all of this complexity makes it difficult to convey foreign policy goals and budgets to senior officials, the media, and the public—and to justify all of it to Congress.

Yet the emerging consensus among policy analysts on the need to improve the conduct of US foreign policy is shared to a striking degree by the three senators who emerged as the top candidates for the presidency in the spring of 2008: Republican Senator John McCain and Democratic Senators Barack Obama and Hillary Clinton. The three main presidential candidates have spoken similarly about the need for changes in US national security and foreign policy.

Of course, the policy areas in which the candidates differ, such as Iraq, will place their own demands on the system. However, even a cursory review of diplomatic and development priorities endorsed by all three of the candidates shows how much diplomatic heavy lifting will need to be done regardless of who is elected:

1. Reviewing foreign assistance in order to find a more effective and coordinated way of engaging with other countries. Senator McCain called for

a civilian follow-on to the 1986 Goldwater-Nichols Act in order to ensure that civilian and military agencies work better together.

2. More diplomatic engagement with other countries to reverse the recent overreliance on military power.
3. Unwavering support for Israel's right to exist and to defend itself, and for greater efforts to bring peace to the Middle East. (The candidates differ in their rhetoric on how to deal with Iran.)
4. Strengthened ability to rebuild war-torn societies. Senator McCain focuses on energizing and expanding post-conflict reconstruction capabilities of civilian agencies, and Senator Obama would invest in the US civilian capacity to operate alongside the US military in post-conflict zones and on humanitarian and stabilization missions. Senator Clinton has called for an "interconnected strategy that takes into account political, economic, diplomatic and military concerns."
5. Continuation and expansion of President Bush's programs to fight HIV/AIDS overseas. Senators Clinton and Obama would commit \$50 billion to the program (\$10 billion per year for five years to 2013). Senator Clinton would train one million health workers in Africa. Senator Obama would increase US contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria.
6. Engagement with Africa on a broader agenda, not just in response to humanitarian crises. The three candidates went so far as to issue a joint statement on the Darfur crisis. All three presidential candidates also deplore the neglect of relations with Latin America.
7. Responding to climate change with serious action—such as a cap and trade system for carbon emissions—and reengaging internationally on the issue. Senator Obama would create a new Global Energy Forum comprised of the world's largest greenhouse gas emitters, and this would in turn create a Global Energy and Environment Initiative to engage developing countries. Senator Clinton calls for formal links between the International Energy Agency and China and India, and for the creation of an

"E-8" international forum modeled on the G-8. This group would be comprised of the world's major carbon-emitting nations and hold an annual summit devoted to international ecological and resource issues.

8. An improved effort in conducting public diplomacy. Senator McCain is on record for reestablishing the United States Information Agency (USIA), and Senator Obama would like to see a new American Voices Corps.
9. Greater US use of multilateral organizations.⁷

Several of these shared policies (1, 4, 5, 6, and 7) touch on US policies and programs for international development, and all of them would require resources from the international affairs budget.

Both Democratic senators would like the United States to do a better job coordinating our aid with contributions made by other major donor governments. Each has also pledged to consider the creation of a Department for Development—although both stop short of a definite commitment.

Senator Clinton would "spend an additional 1%" of the US federal budget on aid programs (essentially doubling it), and Senator Obama pledges to double the size of the foreign aid budget and double the size of the Peace Corps—slightly different ways of articulating the need to greatly expand existing resources. They do not specify how the money would be allocated among existing programs.

Some donor countries use the Millennium Development Goals as the organizing principle for their development aid programs, and Senators Clinton and Obama affirmed their support for the goals, with Senator Obama pledging to adopt the entire set as America's goals. In adopting the goals in 2000, world leaders pledged to: (1) eradicate extreme poverty and hunger, (2) achieve universal primary education, (3) promote gender equality and empower women, (4) reduce child mortality, (5) improve maternal health, (6) combat HIV/AIDS and other diseases, (7) ensure environmental sustainability, and (8) build a global partnership among major aid donors for development. While some in Congress have distanced themselves from an approach they view as multilateral and UN-driven, on their merits the eight are ambitious, worthy, and

highlight a number of problems on which the United States already leads the search for answers.

Beyond the broad pledges and statements outlined above, the candidates do not go into finer detail on their proposals. What is clear, though, is that all three of the leading presidential candidates see the need to use civilian agency talents and resources to help bring about peaceful resolutions to conflicts and to reestablish America's engagement with and standing in the world. (See also Annex III, a detailed chart quoting and comparing statements of the candidates.)

Initiatives During the Bush Administration

The terrorist attacks of September 11, 2001, set off sweeping changes in the US government, including the creation of the Department of Homeland Security and the passage of the USA Patriot Act. The initial impact on US foreign operations was exactly as expected—heightened security at embassies and increased aid to allies in “the war on terror.” The US-led invasion of Afghanistan, and later of Iraq, also required increased programs to reconstruct the countries.

President Bush's first real innovation was his March 2002 announcement of a new Millennium Challenge Account before the UN Conference on Financing for Development in Monterrey. To manage this fund, a new agency, the Millennium Challenge Corporation (MCC), was created. It was received with mixed reviews. Supporters of the MCC were excited by the president's commitment to the principle that development is best carried out by countries that adopt political and economic reforms and invest in their own citizens. In contrast, supporters of the United States Agency for International Development (USAID) were dismayed that the new aid program was set up as a separate agency. The administrator of USAID had to fight for a seat on the MCC's governing board and was no longer the unrivaled voice of US development policy in meetings with international counterparts. Other development organizations and advocates accepted and even supported the MCC on the understanding that any resources devoted to it would be additional to—and not at the expense of—existing development programs. Some in Congress moved quickly to authorize the new organization; its critics complained that the new agency was slow to get organized and to enter into agreements (known as “compacts”) with developing countries.

By the spring of 2008, 16 countries had been awarded \$5.5 billion in compacts and another 18 have benefited from \$400 million through a newer MCC program to help “threshold countries” qualify for compacts. Its commitments to existing partner countries mean that its programs will need to continue into the next administration. Whether the MCC should remain a free-standing entity, though, is a valid question, especially since it relies greatly on USAID for administrative support and help overseas.

President Bush introduced two other signature aid initiatives during his term—the President's Emergency Plan for AIDS Relief (PEPFAR) and the President's Malaria Initiative (PMI)—which taken together have changed the way the United States engages in Africa. Today most of the aid money to Africa is used to fight HIV/AIDS.

When aid for reconstruction in Afghanistan and Iraq are added to increases in aid to allies, in the war on terrorism and presidential initiatives to spur economic growth and fight disease, it is clear that the Bush administration has dramatically increased the amounts of US foreign aid. The growth in the foreign aid budget has amounted to 55% (in constant dollars) since the end of the Clinton administration and is likely to end up as a 64% total increase before the end of fiscal year 2008.⁸

While President Bush's initiatives have been generally well received, nongovernmental organizations (NGOs) that implement aid programs have been distressed by the uneven manner in which the aid was distributed—with large aid projects in some countries, while the needs of vulnerable people that do not fit easily within the initiatives go unaddressed. There is also widespread concern that US foreign assistance is spread across too many budget accounts and carried out through too many agencies and departments with inadequate coordination.

One of the less successful aid initiatives was the new State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS), which was created in 2004 to strengthen US government civilian capability to manage stabilization and reconstruction efforts in conflict-ridden countries (and prevent conflict where possible). Congress authorized the reprogramming of funds to create S/CRS, but did not appropriate adequate

resources to run the office. Funds for salaries were scraped together, detailees were reassigned from other offices, and program money for S/CRS ended up being authorized in the Defense Department's budget. Section 1207 of the National Defense Authorization Act allowed S/CRS to tap Department of Defense (DoD) resources for its work (\$5 million in [fiscal year] FY 2006 and \$99.5 million in FY 2007). The Commander's Emergency Response Program (CERP) was also set up to give the regional military combatant commanders funds to use for quick-impact projects in the field.

None of this augured well for a robust civilian capacity, and the senior Pentagon leadership came to realize that if the civilian agencies were not able to meet stabilization and reconstruction needs, the military would have to be prepared to compensate.⁹ The DoD's growing funding of and influence over foreign aid programs is opposed by many at the State Department and those in Congress with responsibility for State, USAID, and other foreign aid programs. Many aid agency partners are also uncomfortable with the growing militarization of US foreign assistance, and few aid agencies are willing to accept DoD funds directly.

In 2006 Secretary of State Condoleezza Rice launched a project entitled "Transformational Diplomacy" in a speech at Georgetown University.¹⁰ Rice defined the objective of transformational diplomacy as "to work with our many partners around the world, to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system." She laid out the need to reposition foreign service posts from Washington and Europe to other regions, use smaller offices (American presence posts) or no office at all (virtual presence posts using the Internet), embrace regional partnerships, encourage diplomats to work more closely with the military, enhance the Office of Reconstruction and Stabilization at State (including an ability to assemble and deploy civilian experts to post-conflict operations), send more diplomats into the field and especially to hardship posts, train them with new expertise (rule of law, entrepreneurship, health care delivery, and education), and train record numbers of officers in difficult languages like Arabic, Chinese, Farsi, and Urdu.

Her speech was followed by a series of other announcements, most immediately the appointment of then-PEPFAR head Randall Tobias to the new position of Director of Foreign Assistance (DFA), which was dual-hatted with the job of administrator of USAID and at the same bureaucratic level of the deputy secretary. The impetus for this particular change reportedly came when Secretary Rice could not get a clear answer from subordinates about how much democracy funding the US government spent. Tobias merged the budget staffs at USAID and State into one budget, performance planning, and results monitoring organization known as the Office of the Director of Foreign Assistance, or the "F Bureau." He vowed to improve operations and to do a better job tracking aid expenditures. One of the F Bureau's first acts was to develop a matrix or "Strategic Framework" that assigned aid to one of five transformational diplomacy objectives: (1) peace and security, (2) governing justly and democratically, (3) investing in people, (4) economic growth, and (5) humanitarian assistance. Aid was further allocated to countries, and every aid recipient country was assigned to one of five categories:

- **Rebuilding States.** Countries in, or emerging from, and rebuilding after internal or external conflict.
- **Developing States.** Countries with low or lower-middle income, not yet meeting certain economic and political performance criteria.
- **Transforming States.** Countries with low or lower-middle income, meeting certain economic and political performance criteria.
- **Sustaining Partnership States.** Countries with upper-middle income or greater, for which US support is provided to sustain partnerships, progress, and peace.
- **Restrictive States.** Those countries where the State Department or Congress has determined that freedom and human rights issues are of serious concern.

A sixth category was added to accommodate programs that did not fit the framework and its focus on bilateral programs:

- **Global or Regional Programs.** This category is for assistance programs that extend across country boundaries.

The attempts to apply the principles of transformational diplomacy to the development budget got off to a rocky start. Ambassador Tobias was faulted by Congress and outside groups for not sufficiently consulting with them before initiating changes. The original matrix was changed not only to capture the regional nature of some programs but also to include alleviating poverty as an overall goal—an egregious omission to many development specialists. The time span for introducing changes was compressed to catch up to the fiscal year 2008 budget process, a process that was already underway. Personnel at embassies and USAID missions objected to a lack of input into the new process and initial budget allocations. Tensions had already arisen between “F” and Congress when Ambassador Tobias resigned in April 2007.¹¹

This combined staff has developed a truly unified budget presentation for State and USAID. Its setbacks include an exaggerated sense of the importance of the framework document itself and a failure to achieve true long-range strategic plans. Now that the end of the Bush administration is near, several offices (including the F Bureau, the Office of the Under Secretary for Management (M) and the Office of Policy Planning (S/P) are engaged in a major budget planning drill designed to produce a serious budget for State/USAID. For the first time, the policy planning office seeks a five-year strategic plan/budget to accompany the annual budget.

As part of the transformational diplomacy effort, a group of distinguished Americans was asked to serve as an Advisory Committee on Transformational Diplomacy. Their report, issued in January 2008, called for increasing the amount of financial and human resources, streamlining the organizational structure to equip officials closest to a given issue with greater authority, and shifting the State Department’s emphasis from process to results.

Other proposals came from Representative Wolf’s HELP Commission, made up of distinguished Americans from across the political spectrum:

- Rewrite the Foreign Assistance Act.
- Do more to help developing countries build vibrant private sectors.
- Create a new business model and engage new nongovernmental partners.
- Align America’s trade and development policies.
- Strengthen the management capacity of our nation’s assistance agencies.
- Reorganize all US international affairs functions.
- Determine funding from the bottom up, based on the needs and commitment of developing countries and on the national and security interests of the United States.

Strengthening the US Government for International Engagement: Current Proposals

Given the current favorable conditions for serious action—the numerous constructive proposals from commissions, advocacy groups and think tanks, and the clear signals from the leading presidential candidates of both major political parties—what is the best way for a new administration to strengthen and fund the civilian institutions that carry out foreign operations? On the central question of organizational structure for foreign aid, most analysts seem to fall into two camps: creation of a Cabinet-level Department for Development or strengthening capability within the current structure, based in the State Department.

Cabinet-Level Department for Development

The idea of establishing a separate, Cabinet-level Department for Development has been proposed by several leading analysts. This proposal was discussed (but not unanimously endorsed) in the reports of both the HELP Commission and the Smart Power Commission (the latter recommended “a cabinet-level voice for global development”), and has proponents at the leading think tanks and among prominent individuals, such as former USAID Administrator J. Brian Atwood.¹² It has been formally endorsed as a top goal by the board of Interaction, the main NGO association for more than 170 relief and development organizations as well as the Modernizing Foreign Assistance Network.¹³ Such a department would

bring under one roof the existing USAID programs, PEPFAR, the PMI, and the MCC. Steve Radelet of the Center for Global Development proposes to shift the Treasury office that liaises with the multilateral development banks (MDBs) to the new department. An Interaction proposal has recommended shifting refugee programs now housed at the State Department and chiefly carried out through multilateral organizations and NGOs to a new development department.

The most persuasive arguments for a stand-alone Department for Development emphasize the need to strengthen development as a tool of US national security and foreign policy and to have a development leader present in high-level national security discussions. The Bush administration listed development as the third “D” (with diplomacy and defense) in its National Security Strategy, but many believe that not enough has been done to strengthen this important element.

Development is a distinct professional field; its experienced technical experts are not interchangeable with international affairs generalists or diplomats. The long-term nature of economic growth and development also requires patience, commitment, and longer planning horizons. US development efforts face additional challenges associated with USAID’s organizational handicaps—having been weakened by years of dwindling operating budgets, frequently shifting priorities and earmarks, too few staff overseeing too many contractors, and a cohort of senior professionals that is retiring en masse. Too much of the agency’s energy went to fending off absorption by State in the mid-1990s and more recently to abrupt changes resulting from the F process. According to Brookings Institution vice president, Lael Brainard, “A new, empowered department of global development...[would come closest] to achieving key principles of aid effectiveness. Only a new cabinet agency will be able to boost the stature and morale of the development mission and attract the next generation of top talent within the US government.”¹⁴ Advocates see development as a specialized area that should not be second-guessed by people who are not experts. Another point in support of this idea is the successful precedent of the United Kingdom’s Department for International Development, which is widely recognized as one of the best development agencies of the major donor governments.

Strengthen Foreign Assistance Coordination Through State/USAID Reform

On the other side of the argument, House Foreign Operations Subcommittee Chair Nita Lowey recently expressed reservations about refashioning USAID into a new Cabinet-level agency—believing that such an effort would detract from badly needed coordination and restructuring US foreign assistance programs. Similarly, M. Peter McPherson, former administrator of USAID, recently testified before Congress in opposition to the idea.¹⁵

Professor Gordon Adams, the former senior Office of Management and Budget (OMB) official for both defense and international affairs budgets, argues that creating an additional Cabinet department would only divide the civilian toolkit in two counterproductive ways.¹⁶ It would split the foreign assistance portfolio, putting some aid programs in a new department, but leaving others at State. This would only make it harder to preserve a crucial connection between US foreign assistance programs and the strategic objectives of US foreign and national security strategy, potentially creating a constant tension between “a new department with some of the foreign assistance dollars and the oldest Department in American government” that is responsible for implementing foreign policy. There would be inevitable duplication and friction as development activities are managed apart from aid programs that remain at the State Department, exacerbating the problem of coordinating overall US foreign assistance. By treating development, an important objective of US policy, as separate from other foreign assistance, bureaucratic duplication would only weaken both.

Adams has argued for stronger coordination and budget planning through the Office of the Director of Foreign Assistance. In his view, the linkage between foreign policy and foreign assistance programs is critical to the effectiveness of US policy. The recently created State Department Office of the Director of Foreign Assistance represents, he thinks, the “first institutionalized, comprehensive, leadership-supported, strategically driven effort to coordinate State and USAID’s foreign assistance resources.”

While acknowledging that the first year of the F process has had severe weaknesses, Adams argues that it should be improved and built

upon, not abandoned. In his view, the keys to more effective foreign aid and operations are increased transparency on the part of both State/USAID and Congress, more input from embassies and missions themselves into making the plans and setting the priorities, strengthened capacity for budgeting and planning in State's regional bureaus, stronger institutionalization of the planning process, and sustained White House attention on foreign assistance priorities. Adams predicts that allowing the F Bureau to languish, coupled with a long—likely unsuccessful—effort to create a separate department will only spur further migration of foreign affairs leadership from civilian agencies to the Defense Department. “Whatever structure emerges [from a redesign of civilian agencies] has to be able to deal with the full range of foreign assistance programs, not just development programs,” Adams says.

Secretary of State Accountable for All Foreign Assistance

A recent report from the minority staff of the Senate Foreign Relations Committee (SFRC) on the implementation of foreign assistance through embassies also offered recommendations for fixing the aid bureaucracy.¹⁷ The SFRC staff proposals emphasized the harmonization of aid with overall foreign policy. They called for the secretary of state to provide strategic direction, transparency, and top-level accountability to foreign assistance. Additionally, the DFA should be a Senate-confirmed position at the deputy secretary level, responsible for refereeing budget disputes at the strategic level. The position of administrator of USAID should be restored to its former status as a separate position from the DFA.

Similarly, the Advisory Committee on Transformational Diplomacy was explicit in wanting to strengthen the State Department. The committee's January 2008 report emphasizes State's role: “...the Department of State is uniquely responsible for the broad range of US international interests and is accountable to the President for ensuring that all US Government (USG) noncombat efforts overseas support American foreign policy objectives.”¹⁸ It calls for State to lead in the development of an integrated Foreign Affairs Strategic Plan and integrated budget, working closely with the National Security Council (NSC) and OMB.

HELP Commission Split: Department for Development, Super State Department or Something Else?

On the question of whether to create a new agency or augment the State Department's role, the members of the HELP Commission were divided. While four commissioners backed a new Department for Development and three backed an enlarged State Department, the majority called for revamping the foreign affairs apparatus modeled on the structures and processes used to create the Department of Defense and implement the Goldwater-Nichols reforms. This remodeled Department would have a secretary at the top, comparable to the Office of the Secretary of Defense (OSD) at DoD. Major parts of the new department would be devoted to: diplomacy, trade and development, public diplomacy, humanitarian aid, and consular matters. Similar to the interservice “jointness” that has been emphasized by the military in the last two decades, there should be mechanisms that enable the various pieces to work together—such as a requirement for personnel to rotate through at least one other part before being promoted into senior positions.

Recreate USAID as Leading Development Agency

Professor Carol Lancaster, a former official at State, USAID, and OMB, has published an excellent book on Bush administration aid policies.¹⁹ In its concluding chapters, she examines three options: a Department of Development; merging USAID into State; or leaving USAID as a sub-Cabinet agency into which several other aid programs would be merged. Lancaster doubts that a new president will spend the political capital necessary to create a new development department, and she foresees formidable congressional and other resistance to a full merger between USAID and State. For these reasons, she suggests combining bilateral aid programs into a sub-Cabinet level USAID as the most practical way to achieve organizational reform at an affordable political cost.

Mirroring the Defense Department

Some suggest that, given the military's reputation for organizational management, civilian capacities should be structured to mirror the capacities of the Defense Department. This idea has been reflected in several recent proposals. The majority of the HELP Commission suggested folding civilian agencies under the Office of the Secretary of State, the way the Defense Department's OSD manages a number of subordinate agencies. Others have argued that

the State Department's regional bureaus should be organized geographically to match up with the command areas of the combatant commanders. Yet these rather simplistic approaches fail to account for the large disparity in resources between the organizations and their very different missions.

White House Coordination of National Security

Even though they differ on the issue of a Cabinet-level Department of Development, both the Modernizing Foreign Assistance Network and Gordon Adams see an urgent need for the White House to coordinate broader national security efforts. The network's report calls for a strong "whole of government" coordination function in the Executive Office of the President and states that it would be "an essential complement to the effectiveness" of a new Department for Global Development. Adams states that it is critical for the NSC together with the OMB to play a more active role in strategic planning and guidance.²⁰ He calls for a consistent approach that reviews national security issues across the international affairs, defense, and homeland security agencies. By adding staff to both organizations, Adams recommends that NSC and OMB lead a Quadrennial National Security Review and produce biennial, classified National Security Planning Guidance to agencies that would also serve as the basis for an annual, integrated national security budget.

Weighing the Options

Advocates of a new Department for Development tend to focus on US development assistance without accounting for the many other foreign assistance/international programs. They do not, for example, address military assistance and other foreign aid programs that do not fit within the definition of official development assistance. Few discuss how to improve the relief and humanitarian programs now split between USAID and State and Defense. Opponents of the Department for Development seek a "strong center" for coordination and leadership of the full range of US foreign aid outside of USAID. Some would establish a coordination mechanism at the White House, doubting the State Department's ability to lead on foreign aid. Another group sees more harm than good in a USAID that is separate and independent from the State Department. Clearly, most of the legislation that governs the international affairs agencies acknowledges the secretary of state's role in overall leadership of foreign policy and the need for other agencies to adhere to that policy.

Regardless of the need to give development issues more attention and priority at the Cabinet level, creating a new department is at best a partial solution and will not end the lack of coordination and direction in US foreign operations. It is hard to imagine a serious candidate for secretary of state accepting the job if it meant constant battles with the Department for Development over policy and resources. Such strife would not serve the president, who will want to pursue a coordinated, cohesive foreign policy.

Given these ideas and proposals, the next administration will need to decide whether to build on the current effort, elevate and empower USAID as a separate Cabinet-level department, or try to enhance and improve USAID's effectiveness as a sub-Cabinet agency. A decision must also be made about whether to keep the F Bureau responsible for administering the foreign assistance budget across State and USAID, or to expand its oversight to other funds and agencies that implement foreign assistance programs (it already has the authority to coordinate efforts of other agencies).²¹ Another question is whether to have one person in charge of both the F Bureau and USAID, or to have separate heads.

Strengthening the US Government for International Engagement: The Hybrid Model

Given the political and practical difficulties in implementing the approaches discussed above, and with a view to offering an option that we believe is achievable within the first 90 days of a new administration, we propose the "hybrid model." We believe this model combines the best ideas from the leading options under discussion. The hybrid model would have four important components: (a) a new directorate on the National Security Council staff to coordinate foreign assistance and international programs across the international affairs community; (b) a modernized and strengthened USAID to lead on US relief and development programs; (c) improved oversight and management of foreign operations at the State Department, including effective use of the F Bureau and appointment of regional bureau deputy assistant secretaries to fund and allocate aid across programs; and (d) periodic meetings of agency and department heads to discuss foreign assistance, modeled on the existing MCC board.

Establish NSC Directorate for International Programs

A new NSC directorate would provide significantly greater visibility, accountability, and coordination for the president with respect to foreign assistance. It would link all foreign assistance programs (across the entire US government) and operations of the international affairs agencies to White House policy deliberations. Such an office would raise the profile of the work of these agencies, publicize their views, and play a key role in reconciling major disagreements.

The NSC senior director for foreign operations would have the following to-do list:

- Conduct a review to determine what authorities are needed to fold significant development programs like MCC and PEPFAR into USAID. Develop recommendations as to which State Department foreign assistance programs should be placed within USAID's area of responsibility, and whether to expand its role in a number of global areas—including relief, disease prevention, and democracy promotion.
- Examine the balance between multilateral aid mechanisms and bilateral assistance.
- Examine options for the administration to launch a major expansion of the Peace Corps.

The same directorate could consider other changes to US international programs not discussed in this paper, but suggested as options in several important reports:

- Revisit the roles of USAID/OTI (Office of Transition Initiatives) and State/S/CRS and consider the best way for the USG to field civilians to carry out programs in countries with a large USG military presence. (This recommendation assumes that this type of US involvement in foreign countries will be the exception in and not the norm around which large new structures should be built. See Gordon Adams on this topic.)²²
- Guide the development of an interagency plan not just to hire more people for the international affairs agencies but also to get the most needed skill sets.
- Undertake a major review of the April 1999 incorporation of USIA into State and consider

the costs and benefits of this merger. Task the State Department to develop options for the future of public diplomacy. Any review of options should reflect the views of relevant stakeholders and experts.

For this directorate to work as an influential coordinating body, it would need a staff of experienced, senior-level personnel with years of government or field service and expertise in foreign assistance and other international programs. They would have to act as true “honest brokers” in preparing decisions for the president—ensuring that every agency has an ample hearing, particularly during deliberations on the annual budget.

Strengthen USAID

The second element of the hybrid model—and one that is of vital importance—is a strengthened, modernized, and well-resourced USAID that draws together the best possible team of development professionals to tackle global threats to economic growth and development. This newly empowered agency would provide advice and guidance to the White House, NSC, embassies, and other agencies and field experts serving overseas, and would oversee and coordinate development projects in the field. The administrator of USAID would be the recognized lead on development policy, have a seat at every relevant meeting of the deputies committee, and represent the US government at international conferences on development issues.

In addition, USAID would take the lead on humanitarian relief (including refugee programs), transition initiatives, efforts to boost democracy as well as programs currently carried out by MCC and PEPFAR. In theory, USAID could take responsibility for liaising with and funding the MDBs, the UN Development Program, other UN development bodies, and the UN High Commissioner for Refugees. The administrator would be responsible for appointing a senior official to lead international crisis response during times of emergency. USAID development experts would staff and run missions abroad. As is already the case, the USAID Mission Director would be a member of the ambassador's team in-country. It should be stressed, though, that this proposal will only work if USAID is provided sufficient staff to actually run programs. Effective coordination will depend on the agency's active and constructive

cooperation with other agencies. It will, for instance, need to share information about its plans and budgets in a timely way for review by the NSC directorate and the State Department, and build a reputation for excellence in Washington—not just in the field.

Strengthen State Department

Our third recommendation is to reform and strengthen the role of the State Department in foreign assistance. This reform would require three steps:

1. Appoint a second deputy secretary of state for foreign operations, dual-hatted as the USAID administrator, with primary responsibility for foreign assistance (and possibly also for State operations).
2. Fully use and expand the capabilities of the existing Office of the Director of Foreign Assistance (F). This office would report to the new deputy for foreign operations and would manage budget planning and coordination.
3. Appoint senior assistance coordinators for every region of the world.

The position of another deputy secretary at the State Department actually exists in law, yet has never been filled. Given the fact that most assistance will be implemented by USAID, it would make sense for this deputy also to serve as USAID administrator and to sit primarily at USAID. This second deputy secretary could be responsible for all foreign assistance as well as the operations of USAID, and would represent foreign assistance issues and interests at deputies meetings of the NSC. This official would be accountable to Congress in both capacities. In addition, the budget planning functions of the F Bureau would report to the secretary through this deputy.²³

Second, budget hearings must be institutionalized through F. While recognizing that the creation of the F Bureau created tensions across the foreign assistance community, we nonetheless see a critical need for a strong, central coordinating mechanism to ensure that the president's foreign policy objectives are supported and achieved. Joint planning, consultations on agency budgets, and efforts to pull data on foreign aid together into a single, useful, and accountable system are needed and should continue.

F would report to the deputy secretary for foreign operations, and would introduce at least three planning disciplines into the budget process: compiling budget plans (with field input and appropriate transparency) for all State/USAID foreign assistance and development programs, with thorough briefings particularly for the deputy secretary; a set of coordinating briefings on the budget accounts of other international affairs agencies; and a set of budget briefings on the international assistance programs of 150 other nonfunction agencies.

The third key element of a stronger State Department would be to assign a deputy assistant secretary (DAS) for each region to serve as its aid coordinator. In the 1990s, regional aid coordinators, with authority over substantial aid funds, played leading roles in US support for the transformation of the countries of Central and Eastern Europe and the states of the former Soviet Union. These coordinators were able to take the initiative in allocating significant amounts of aid with the right mix of programs (short- and long-term) and ultimately to achieve results in the field.

Under this proposal, a DAS in each regional bureau would be responsible for allocating all economic and political foreign aid within the region, based on a thorough knowledge of ongoing efforts and accompanied by clear justification for how the resources are divided. This person would be selected based on his or her proven abilities to manage aid programs and would help articulate an overall vision for US engagement in his or her region. This person might very well be a senior USAID professional. The regional DAS for aid would lead a small team of policy and budget analysts and would be able to explain to key stakeholders—including the secretary of state, NSC, OMB, Congress, and senior officials from the recipient countries—the importance of a mix of approaches tailored to conditions on the ground. The DAS would also be sensitive to the trade-offs among different types of programs. Various programs would compete for a share of the regional aid fund—so that assistance programs might emphasize public diplomacy projects in one region, projects to help produce clean water and to fight HIV/AIDS in another, and counternarcotics programs in a third.

The decisions of the DAS would be guided, above all, by the president's foreign policy objectives, and

the source of the funding would be the appropriate regional account for the promotion of economic and political stability in that country/region. Since all funding decisions will be made by the regional bureaus, functional bureaus would, instead of managing separate budget accounts, respond to the needs of each region as directed by the deputy secretary, using funds allocated by the regional bureaus. This would also streamline the process by which embassies and USAID missions receive guidance on budget and policy. Rather than seeking guidance solely from the DFA, ambassadors and USAID mission directors in the recipient countries would work closely and continuously with the policy and resource DAS.

Unlike the current F process—which has emphasized bilateral aid programs and the sorting of countries by their level of development—this mechanism would focus on countries and regions, with a sensitivity for the history, politics, and geography of the region and the flexibility to support cross-border programs where it makes sense. This proposal does not mean that the State Department would run development programs, although some of the regional funds might be allocated to USAID for development programs run by USAID missions. Running development programs is a task that would clearly fall to USAID. At the same time, the State Department needs to boost the program management skills of its staff; even those who have no such responsibilities will need a greater appreciation for what they entail.

A Board to Review Foreign Assistance

Several times a year, leaders of US foreign assistance agencies should meet to discuss the general trends and initiatives in foreign assistance/foreign operations. A new foreign operations board, with a mandate for regular meetings could be useful in helping achieve greater coordination and coherence. The MCC board could be used as a model.²⁴ This board's oversight and deliberations could generate ideas for how to educate the Congress, the media, and the public—as well as staff and senior officials in the international affairs agencies themselves—about the international programs of the US government. This board could also push for enhanced transparency.

The Role and Importance of Congress in Change

Congress has an important role in considering, authorizing, and funding new and more effective

ways to conduct US foreign operations. A new administration must include Congress as a partner in designing and implementing changes. Indeed, any failure to do so will undermine, and potentially doom, the chances for reform or modernization.

Fortunately, the new administration will find willing partners in key positions in Congress. Both Representative Howard Berman and Representative Ileana Ros-Lehtinen, the chairman and ranking minority member, respectively, of the House Foreign Affairs Committee, have announced that they want to write and pass a new Foreign Assistance Authorization Act in the new Congress that will convene in January 2009. The core piece of legislation governing foreign assistance was first enacted in 1961, and there has not been a comprehensive revision since 1985.²⁵ On March 11, 2008, Representative Berman announced, “I intend, in the next Congress, to work with the Senate to resume the practice of passing foreign aid and State Department authorization bills, both of which are essential for strengthening the tools of effective diplomacy. I also expect to begin laying the groundwork for a major overhaul of US assistance to other countries.”

The minority staff of the SFRC's recent report on the implementation of foreign assistance through embassies also calls for a new foreign aid authorization act. The study argues that a new act is needed to reflect the contemporary structure of foreign aid and provide a cohesive strategy. Such an act could provide a basis for enhanced coordination and a fresh start.

Since 2002 the SFRC has on two different occasions brought a comprehensive foreign assistance bill to the Senate floor. Each time, the bill was pulled off the floor for reasons unrelated to the legislation itself.²⁶ A rewrite of foreign assistance authorization legislation should only be attempted if it is an administration priority and if the White House agrees to support the effort.

Secretary Gates and Secretary Rice have appeared together before committees of Congress as one way of reinforcing the relationship between defense and foreign operations. This practice should continue. The HELP Commission did suggest a number of small measures that a new administration could easily pursue in partnership with Congress, such as encouraging members of

key committees to travel to aid recipient countries, and inviting members to participate in US delegations to important international conferences on development issues.

A Rare Opportunity

There is a bipartisan consensus that change is needed. Hopes are high that a new administration would come into office with a commitment to overhaul the civilian parts of the national security apparatus. In the absence of real change, the status quo would prevail, and the government's foreign policy community would carry on, as in the past, by coping. US foreign policy would continue to be characterized by overreliance on military means to engage other countries—complemented by small programs for reconstruction and stabilization and incremental increases in the number of diplomats and development experts. Another scenario would be for the next president to make bold announcements followed by slow implementation, and to support investments in select programs (HIV/AIDS, malaria) but to neglect other killers (lack of clinics and safe water, diarrhea and respiratory disease, maternal mortality).

A consensus like the present one is rare. While a broad consensus exists among key actors, it is also shallow and thus will be hard to maintain once concrete changes are proposed and decisions start being made. Nonetheless, it would be a shame to squander what is the best opportunity in years to reinvigorate, modernize, and improve the US international affairs agencies.

All of the options for aid reform discussed above (see summary table in Annex III) have several things in common:

- Consensus that change is needed and that the time is ripe for change.
- Agreement that the United States needs to be more effective in running programs to help people in other countries.
- Belief that foreign aid is essential to the pursuit of US national interests.
- Recognition that the United States must strike a better balance between military and civilian tools of international engagement.

- Desire to consolidate numerous government actors into fewer entities.
- Emphasis on improving coordination across the various US government agencies to align US government activities with the nation's foreign policy goals and avoid duplication.
- Recognition of the need for a longer-term strategic vision for US programs.

The fault line of this debate is a split over the proper locus for leadership of these efforts—at the top of the State Department, with a new development department, or through a coordinator based in or around the White House. We believe the “hybrid model” combines the best of all these ideas: a “final arbiter” on the NSC staff who is knowledgeable and can obtain input from key actors and help resolve disputes that arise, a State Department that can ensure aid programs meet the president's foreign policy needs, a strong development agency that incorporates all or most major development programs, and several senior officials who understand the importance of foreign assistance programs and are ready to speak up in support of them. In addition, and of some importance, the hybrid model would offer a new administration a path to change with relatively modest bureaucratic and legislative hurdles—fighting only those policy battles that are integral to the effort.

Further, we believe the “hybrid model” will give the US government an ability to engage constructively with other countries in a coordinated, consistent manner that supports the president's foreign policy. This model would help build stronger international affairs agencies and improve the planning, budgeting, and responsiveness of US foreign operations. Perhaps just as important, we believe this proposal is achievable in a relatively short time and could bring together various proponents of a reinvigorated, comprehensive US foreign assistance agenda that will serve the global interests of Americans.

Summary Chart:

Strengthening US Foreign Operations: Major Options for the Next Administration

The following chart lists major options for the next administration, including many of the ones we have discussed above, and rates them based on how quickly they could be implemented. Options that are part of the hybrid model are indicated with an asterisk (*).

	First weeks	First year	12-36 months	Too hard/ Impractical
A. Mission and Strategy				
Adopt Millennium Development Goals as US policy	X			
Focus significant part of US development aid on a couple/few clear goals		X		
Adopt a new approach to assistance focused on performance measurement			X	
B. Personnel				
Expand size of Foreign Service		X		
Recruit more USAID personnel		X		
Examine skill set needed for future hires	X			
Expand civilian roster of crisis-response experts		X		
C. Organizational Structure and Leadership				
Create Cabinet-level Development Department ²⁷			X	
Create International Affairs Department/Super State Department (HELP Commission proposal)				X
Fold Treasury MDB programs into USAID*	X			
Fold MCC into USAID; revise/reauthorize Millennium Challenge Act*		X		
Appoint a 2nd deputy secretary of state to oversee State operations and foreign aid (position exists);* change DFA into Under Secretary for Foreign Assistance (requires legislation)		X		
Administrator of USAID dual-hatted or treated as deputy secretary of state, reporting to secretary*	X			

	First weeks	First year	12-36 months	Too hard/ Impractical
State and USAID integrate strategic planning offices and technology infrastructures, colocate related offices, and rotate staff	X-->	X		
Use board or agency heads for senior-level review and coordination of all US foreign aid efforts*	X			
Designate DAS position in every State regional bureau to oversee and allocate resources for political, economic, and other purposes*	X			
Fold State Department offices handling humanitarian, refugee, and democracy programs into USAID*		X		
Review, combine, and strengthen civilian agency efforts for stabilization & reconstruction*		X		
Strengthen public diplomacy function at State Department		X		
Invest more in exchange programs		X		
Integrate full range of USG public diplomacy assets in one semiautonomous agency reporting to the secretary of state			X	
Re-create separate USIA-like agency for public diplomacy			X	
Expand the Peace Corps		X		
More partnerships with the private sector	X			
D. Strategic Planning and Budgeting				
Expand F Bureau to coordinate aid from other agencies*		X		
Restore separate planning and budget offices to USAID and State	X			
OMB, president force consideration of broad "National Security" budget	X			
Create NSC office for foreign operations and look at issues that cut across national security agencies*	X			
Review international affairs agencies and foreign aid in a Goldwater-Nichols type of exercise		X		
QDR-type exercise for State/international affairs agencies, or for all national security agencies		X		

	First weeks	First year	12-36 months	Too hard/ Impractical
E. Change in Congress				
Encourage members of Congress to travel to aid recipient countries, and invite members to participate in US delegations to international conferences	X			
Reauthorize PEPFAR program		X		
Rewrite Foreign Assistance Act			X→	X
Joint hearings: Foreign Affairs or Relations and Defense Committees	X			
Merge committees of Congress that handle national security (e.g., one subcommittee of budget committee for national security)				X
Merge Foreign Affairs Appropriations/Authorizing Committees				X

Endnotes

¹ The term *foreign assistance* refers to US government programs to provide grants, loans, and loan forgiveness to benefit citizens of other countries or their governments. The term *foreign operations* is used here to mean all foreign aid programs as well as the Peace Corps and other diplomatic programs, such as public diplomacy programs, exchanges, support to UN peacekeeping efforts, and participation in diplomatic negotiations or conferences.

² "Beyond Assistance," HELP Commission, December 2007, http://www.helpcommission.gov/portals/0/Beyond%20Assistance_HELP_Commission_Report.pdf.

³ "Report on the CSIS Commission on Smart Power: A Smarter, More Secure America," cochairs Richard L. Armitage and Joseph S. Nye Jr., Center for Strategic & International Studies, 2007.

⁴ Secretary of Defense Robert M. Gates, Landon Lecture, Kansas State University, Manhattan, Kansas, November 26, 2007, <http://www.defenselink.mil/speeches/speech.aspx?speechid=1199>.

⁵ Most of this paper was drafted before Senator Clinton ended her campaign. Her proposals are included because they were fairly extensive, have a profile that puts them higher on the agenda than others in policy circles, and include aspects that could end up being considered by the future president.

⁶ Lael Brainard (ed.), *Security by Other Means: Foreign Assistance, Global Poverty, and American Leadership*, (Brookings Institution Press, 2007), annex B, pp. 343-344.

⁷ All three candidates propose greater United States use of multilateral organizations, but have slightly different approaches. The Democratic candidates have called for reforming and making greater use of existing multilateral mechanisms. Senator Clinton would like to see the International Labor Organization used as a tool for enforcing labor standards. Senator Obama wants to see changes in the governance of the World Bank and IMF. Senator McCain, on the other hand, would build a new organization of democracies, called the League of Democracies. The idea of a Community/Concert /League of Democracies has a history that predates the McCain campaign and has been supported by Democrats and Republicans alike. See Jackson Diehl, "A 'League' by Other Names," *The Washington Post*, May 19, 2008, p. A17, <http://www.washingtonpost.com/wp-dyn/content/article/2008/05/18/AR2008051801909.html> and follow-up by Richard Rowson, President of the Council for a Community of Democracies, letter to the editor, May 24, 2008, <http://www.washingtonpost.com/wp-dyn/content/article/2008/05/23/AR2008052302586.html>.

⁸ Thanks to Larry Nowels for providing this data.

- ⁹ This concept was included in DoD directive 3000.05, entitled “Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations,” and issued November 28, 2005. This document establishes DoD policy and assigns responsibilities within DoD for planning, training, and preparing to conduct and support stability operations.
- ¹⁰ Secretary of State Condoleezza Rice, “Transformational Diplomacy,” Georgetown University, Washington, DC, January 18, 2006, <http://www.state.gov/secretary/rm/2006/59306.htm>. See also description of effort by Kennon H. Nakamura and Susan B. Epstein, “Diplomacy for the 21st Century: Transformational Diplomacy,” CRS Report for Congress RL 34141, Congressional Research Service, August 23, 2007, <http://fas.org/sgp/crs/row/RL34141.pdf>.
- ¹¹ Tobias resigned abruptly after admitting his name turned up as a patron of an escort service/prostitution ring.
- ¹² See J. Brian Atwood’s June 25, 2008, testimony to Congress at <http://foreignaffairs.house.gov/110/atw062508.pdf>.
- ¹³ See materials at www.interaction.org (<http://interaction.org/library/detail.php?id=6304>) and Modernizing Foreign Assistance Network, “New Day, New Way: U.S. Foreign Assistance for the 21st Century,” June 10, 2008, <http://interaction.org/library/detail.php?id=6288>.
- ¹⁴ Lael Brainard, “Organizing Foreign Assistance,” *Security by Other Means*, ed. Lael Brainard (Brookings Institution Press, 2007), pp. 62-63.
- ¹⁵ See M. Peter McPherson’s June 25, 2008, testimony to Congress at <https://www.nasulgc.org/NetCommunity/Document.Doc?id=957>.
- ¹⁶ Gordon Adams, “Don’t Reinvent the Foreign Assistance Wheel,” *Foreign Service Journal*, March 2008, “Rebalancing and Integrating the National Security Toolkit,” testimony before the Senate Committee on Foreign Relations, April 24, 2008, and personal correspondence.
- ¹⁷ “Embassies Grapple to Guide Foreign Aid,” a report to members of the Committee on Foreign Relations, US Senate, November 16, 2007.
- ¹⁸ “The Secretary of State’s Advisory Committee on Transformational Diplomacy,” Office of the Secretary, US Department of State, January 2008, p. 5, <http://www.state.gov/documents/organization/99903.pdf>.
- ¹⁹ Carol Lancaster, *George Bush’s Foreign Aid: Transformation or Chaos?* (Washington, DC: Center for Global Development), 2008.
- ²⁰ Testimony, April 24, 2008, pp. 17-19. This concept of greater NSC involvement in strategic planning and national security resource allocation was also recommended by the CSIS “Beyond Goldwater-Nichols” project. See Clark Murdoch, Michèle A. Flournoy et al., *Beyond Goldwater-Nichols Phase II Report*, 2005, http://www.csis.org/media/csis/pubs/bgn_ph2_report.pdf.
- ²¹ According to Brainard, there are 19 US government departments or agencies that play roles in foreign assistance.
- ²² Gordon Adams, testimony, April 24, 2008, pp. 9-17.
- ²³ Our goal in proposing this is to strengthen the position of USAID Administrator. Some would argue that dual-hatting the USAID administrator would result in limiting the administrator’s ability to stand up for policy positions that differ from those held by the secretary of state. An alternative would be not to dual-hat the administrator, and instead to make him/her an independent actor representing only the interests of USAID. This might help ensure that the USAID administrator could voice views in interagency meetings that are independent from the State Department’s.
- ²⁴ The MCC Board of Directors is composed of the secretary of state, the secretary of treasury, the US trade representative, the administrator of USAID, the CEO of the MCC, and four public members appointed by the president of the United States with the advice and consent of the US Senate. See also Lancaster, p. 100.
- ²⁵ Unlike their counterpart committees that authorize defense programs, the House Foreign Affairs Committee and SFRC have not succeeded in passing and enacting an annual authorization bill for international programs. The real decisions, therefore, get made in the annual appropriations legislation that *must* pass (either as a stand-alone act or included as part of a larger “omnibus” appropriation) in order to fund the departments and agencies for the fiscal year.
- ²⁶ This happened in 2002 and 2004.
- ²⁷ Steps for creating an agency would include: consult with Congress and stakeholders in advance; announce intention to create department; develop specific plans for new department; seek congressional authorization and appropriations; and establish new department.

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