

**Statement of Nancy Lindborg
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Committee on Appropriations
Subcommittee on State, Foreign Operations and Related programs
U.S. House of Representatives

Hearing on:

“The Role of Civilian and Military Agencies in the Advancement of America’s Diplomatic and
Development Objectives”

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2359 Rayburn House Office Building

Madam Chairman and members of the Committee:

I want to express my appreciation to Honorable Representative Nita Lowey, Chair of the Subcommittee, and to Ranking Member Kay Granger, for the opportunity to offer testimony today on the role of civilian and military agencies in the advancement of America’s diplomatic and development objectives. I thank the Subcommittee for holding this hearing to examine what is one of the most critical issues to the development of an effective US foreign assistance strategy. As the new US Administration and Congress seek to take a fresh look at the role of development assistance in supporting US foreign policy objectives, we have an important opportunity to rebalance our civilian and military capacities, rethink the roles and responsibilities of key actors and re-envision our global engagement strategies in keeping with the new challenges facing us as a nation.

I am here today in my capacity as the President of Mercy Corps, a large international humanitarian and development nonprofit organization that currently works in 35 conflict-affected and transitional countries, helping to rebuild safe, productive and just societies. Mercy Corps works in some of the world’s most challenging and dangerous environments, including Afghanistan, Pakistan, Iraq, Sudan, Somalia, Democratic Republic of Congo, Sri Lanka and Colombia. Our work is supported by a wide range of public, private, and international donors, including a strong partnership with USAID. Our work in transitional environments – in weak, failing and war torn states – places Mercy Corps in a strong position to provide testimony today on the role civilian and military agencies can play in contributing to quick recovery and sustainable development in the world’s toughest places.

Meeting the Challenges Posed by Failed and War Torn States: The Role of Complex Development

Over the past decade, the US government has increasingly recognized the importance of failed and war torn states as a key foreign policy challenge. Few dispute the need to focus on preventing conflict, containing the potential spread of pandemic disease, addressing the root causes of terrorism and rebuilding Iraq and Afghanistan as critical foreign policy priorities. In fact, the 2002 *National Security Strategy of the United States* notes the great dangers posed to our national interest by weak and failing states. This recognition has been accompanied by an explosion of efforts to understand state weakness, including important efforts by the Brookings Institution, the Center for Global Development, the Political Instability Task Force, the World Bank, USAID, the United Kingdom's Department for International Development and others. This large body of existing work has made tremendous progress in conceptualizing and quantifying state weakness, and in predicting conflict, instability and state failure. It has much to contribute to the development of effective US foreign policies to meet with the challenges that these states pose to our national interest.

In this regard, the recommendations made by Ambassador Susan Rice and her colleagues at the Brookings Institution are of particular relevance. In their 2008 *Index of State Weakness in the Developing World*, they highlight the need to give higher priority to poverty alleviation within overall US foreign policy goals. The reason for this is simple: the poorest countries are also the weakest. If the US aims to use foreign policy as an effective tool for addressing the challenges posed by weak and war torn states, then it is clear that development assistance has a key role to play.

This recognition has, in recent years, spurred a growing, bipartisan consensus in US policy circles around the notion of "smart power" – the idea that America's foreign policy is best served when there is an appropriate balance between Diplomacy, Defense, and Development. The defense community has been particularly vocal on this topic. Secretary of Defense Gates, in his memorable speech at Kansas State University in November 2007 and multiple times since, has consistently criticized the "creeping militarization" of US foreign policy, and called for dramatic increases in resources for civilian agencies. Chairman of the Joint Chiefs of Staff Admiral Michael Mullen added his voice in January 2009, speaking of the military's limitations as a tool of foreign policy and the need to adequately fund civilian agencies to take the lead, even if that means some reductions in funding to DOD. Finally, just last month, 45 senior officers from the US Global Leadership Campaign's National Security Advisory Council - a non-partisan group of prominent retired three and four-star generals and admirals representing all five branches of the Armed Forces – released a letter to President Obama calling for "a robust FY10 International Affairs Budget that sufficiently invests in 'smart power'."

A core element of this "smart power" approach is the recognition that complex development environments are critically important to our national interest. Development deficits in fragile states are now widely recognized to be drivers of conflict and extremism. US efforts in places like Iraq and Afghanistan, as well as African countries

like Sudan and Uganda, now focus on rebuilding stable, prosperous societies in difficult post-conflict environments.

Pursuing development in post-conflict and fragile states is often more challenging than traditional development practices in more secure environments. In the last decade we saw the rise of complex humanitarian emergencies. I would like to suggest we now must turn more effectively to the challenge of “complex development” in countries burdened by a potent combination of deep poverty, insecurity and weak governance. The solution in these environments is not humanitarian in the sense of saving lives, but rather adapts the fundamentals of development practice to the challenges of these complex environments.

Mercy Corps’ experience with complex development has taught us that recovery from conflict will advance most quickly when community members themselves have ownership of the recovery process and quickly see the positive results of their participation. World Bank President Robert Zoellick made a similar point in a recent speech, saying that community ownership is “fundamental to achieving legitimacy...and effectiveness” of aid efforts.

However, the US government has leaned more and more heavily on military approaches in difficult transitional environments. We have witnessed in recent years the increased militarization of development assistance not only in Iraq and Afghanistan but increasingly in Africa as well. Although there are many important security objectives quite appropriately pursued by the military, we must not confuse those shorter term security objectives with the longer term development gains so vital to our national interest and security more broadly defined.

The Imbalance of Military and Civilian Capacities

Throughout the Bush Administration, much effort was focused on developing a set of policies and capacities to enable a more robust approach to these challenges. Yet despite a national security strategy that identified as its cornerstone an appropriate balance between the “three Ds”- Diplomacy, Development and Defense - our civilian capacities remain woefully under resourced. Secretary Clinton, in her confirmation hearing, discussed how this dynamic has in turn driven the militarization of US foreign assistance, stating that the US has “so under resourced our diplomacy and our development, it sort of becomes a self fulfilling prophecy. The less resourced we are, when we're given a task, the harder it is to perform, so the military understandably says...we'll take care of this.”

The under investment in civilian capacity is well documented. Nearly everyone in Washington, DC is now familiar with the oft-quoted reference that there are more service members in military bands than there are Foreign Service Officers in the State Department and USAID. USAID’s current 2200 permanent, direct-hire personnel – about half the size of a typical Army brigade – are responsible for administering over \$8 billion in global humanitarian and development assistance annually. This means that USAID now manages a budget that is roughly two-thirds larger than it managed in 1990,

when it had two-thirds more staff than today. This lack of personnel has hindered USAID from staffing field posts in Afghanistan and Iraq. It also led Secretary Clinton to remark in her confirmation hearing that USAID has “turned into more of a contracting agency than an operational agency with the ability to deliver.”

Despite the growing recognition of the need for greater civilian capacity, we as a nation remain fundamentally reliant upon military capacity and military solutions. The military – as a “learning” and “doing” organization – has moved quickly to fill the “civilian capacity void” as it strives to address the challenges of post-conflict reconstruction in Iraq and Afghanistan, as well as advance its newly adopted mandate of preventing conflict on the African continent.

Military doctrine and policies have also been rapidly adapted to codify and advance these new Pentagon priorities. Critically, the November 2005 Directive 3000.05 established the importance of stabilization and reconstruction operations on a par with the military’s traditional kinetic operations. This directive provides the basis for a much broader redefinition of strategic doctrine addressing such areas as stability, security, transition and reconstruction operations. Although a key provision notes that many stability tasks are best performed by civilian actors, Directive 3000.05 also states the need for DOD to play these roles when civilian capacity does not exist.

The US military’s role in filling the “civilian capacity void” has been bulwarked by the Bush Administration and Congress, which have approved a host of budgetary authorities and administrative structures for use in stabilization and reconstruction operations. These include 1206 funding for training and equipping foreign militaries, 1207/1210 funds to support mostly civilian-implemented conflict prevention and stabilization programs coordinated by the State Department’s Office of Conflict, Reconstruction and Stabilization (S/CRS), and a vast Commanders Emergency Response Program or CERP, which provides officers with funding for emergency response and reconstruction that is readily accessible and involves minimal oversight or regulation.

Despite the Pentagon’s frequent public and doctrinal deference to civilian leadership, on the ground we are actually seeing the military expand its role even in areas where civilians are present and have capacity. The Combatant Commands, or COCOMs, are continuing to develop their capacities to implement assistance programming in their regions, particularly in Africa and South and Central America, where there is already ample civilian presence. Secretary Gates has also requested that many of DOD’s new authorities and programs be globalized and made permanent, including section 1207/1210 funding, which was originally devised as a quick fix to provide civilian agencies with much needed conflict prevention funding.

As a result of these shifting roles, the Defense Department’s proportion of Official Development Assistance (ODA) has expanded significantly in recent years. From only 3.5% of total US ODA in 1998, DOD’s percentage climbed to a high of 22% in 2005, and has since settled around the FY07 level of 18%. As significantly, the percentage of ODA controlled by USAID has shrunk during this period from 65% to 40%.

Afghanistan provides a startling example of the current imbalance between DOD and civilian reconstruction resources. According to the Special Inspector General for Afghanistan Reconstruction's (SIGAR) most recent January 2009 report, DOD appropriations from FY2001 through the FY09 Supplemental tally \$18.5 billion or 59% of the total reconstruction budget. By contrast, USAID accounts for \$7.7 billion (24%) and the State Department \$4 billion (13%).

According to SIGAR, total reconstruction funding for Afghanistan in FY08- FY09, including supplemental funding, allocated \$4.5 billion for DOD, including \$500 million for CERP; \$2 billion for USAID, and \$110 million for State. This means that the flexible funds at the disposal of military commanders in Afghanistan are almost five times larger than the total of all diplomatic resources being employed there by the US government.

The disequilibrium between USG investments in military capacity and in civilian capacity has been similar in Iraq. Since 2004, USAID in Iraq has obligated a total of \$5 billion to a broad range of programs: meanwhile, during the same time period the CERP alone has spent \$3.2 billion. As Secretary Clinton put it when discussing the CERP in Iraq during her confirmation hearings:

“I remember the first time I went to Iraq, in 2003, and I met young captains and majors and Lt. colonels, who were literally handed thousands of dollars in cash and were... doing an incredible job with great flexibility and very little accountability...but when I contrast that with a development officer or a State Department expert who knows the culture, knows the language...and this person can't get \$500 to fulfill a development mission that is in service of American security and our national interest, there's a big difference.”

The staggering imbalance in resourcing, combined with the current limited capacity of US civilian agencies, demonstrates how far we still are from the ambition defined by Secretary Gates in his speech to the US Global Leadership Campaign last July: that in diplomatic and development matters “...it is important that the military is – and is clearly seen to be – in a supporting role to civilian agencies.”

The Military Role

Often in tough humanitarian and conflict missions, only the journalists, the humanitarians and the military have a presence on the ground. This means we all need to understand how to work effectively with one another. Because we seek to foster development in some of the world's most challenging environments, Mercy Corps frequently finds itself working in close proximity to military and peacekeeping forces. As a result, Mercy Corps believes that constructive interaction and engagement with the military is vital. We therefore invest significant time and energy to improving civilian-military relations and understanding. Our efforts include serving as Co-Chair of the Working Group that produced the Interaction-US Defense Department operational *Guidelines for Relations Between US Armed Forces and Non-Governmental Humanitarian Organizations in*

Hostile or Potentially Hostile Environments. Mercy Corps staff also regularly participate in pre-deployment trainings, lectures and seminars together with US and international military and government personnel.

The question of DOD's role in provision of assistance is not a new one. The military has long been recognized for its unique capacities and resources. There is widespread appreciation for the life-saving lift and logistical capacity provided by the military in the wake of major and sudden disasters. The military's work in this regard after the Pakistan earthquake and the Indian Ocean Tsunami has been widely praised.

The military also has the critical mandate of providing security in "hot" and post-conflict environments. There are without question hot zones that do and will require the skills and tools of a military response, both for provision of immediate security and for the development of longer term stability through training local forces and contributing to broader counterinsurgency efforts. Finally, in that critical "golden hour" – the period of relative calm that we often see directly in the wake of a peace accord or cessation of violence – the military's capacity to provide security and help instill a sense of confidence in the future peace can be essential.

However, Iraq and Afghanistan - and the Global War on Terror imperative as declared by the Bush administration – have changed the discussion about how we use our military assets. Both Iraq and Afghanistan are highly insecure environments in which US troops have both a combat presence and a role in stabilizing and rebuilding the countries. Because of the relative absence of civilian actors, especially in an environment of ongoing violence and instability, the military stepped in to play a more prominent role in shouldering the burden of providing post-conflict assistance. Simultaneously, the military's counterinsurgency methods have evolved to include "hearts and minds" strategies for the purpose of force protection, gaining better intelligence, gaining the trust of local populations, and helping to calm or prevent conflict.

There is a risk that we could learn the wrong lessons from this experience in Iraq and Afghanistan – that we may be conflating what should be two separate foreign policy goals: counterinsurgency and longer term development assistance goals. We must not confuse the short-term objectives of a "hearts and minds" counterinsurgency strategy with the longer term goals of building a peaceful, productive society and nation that are best met with the tools and approaches of State and USAID. Both are necessary. However, we must take care not to subordinate one to the other, nor create structures that undercut the ability of civilian actors to pursue sustainable longer term development

While changes in roles and responsibilities between military and civilian agencies of the US government may have contributed to short-term counterinsurgency goals in settings like Iraq, we have already seen practical problems with using the military to provide longer term development assistance. Mercy Corps' experience suggests three key factors that contribute to the inherent shortcomings of military-led development efforts:

- *Military actors cannot be impartial assistance providers:* In insecure environments where kinetic operations are ongoing, military units and armed actors are often viewed by local residents as representing the motives and political agendas of outside interests. Because these forces normally operate “behind the wire” and arrive in communities with “shooters” in tow, military actors frequently have a difficult time building close relationships with local residents and developing a nuanced understanding of a community’s social dynamics – something the military itself recognizes. Put simply, it is hard to pursue effective development with one hand while dropping bombs or holding a gun with the other.
- *A resource-rich military actor providing direct assistance in a resource-poor environment can easily undermine the authority and capacity of the local community and governance structures unless great care and sophistication are exercised.* We have seen this in both Iraq and Afghanistan, where it is often quicker and easier for community members to seek funding through PRTs or military units using CERP funds than to go through their own government or to work with civilian development actors. Establishing parallel governance structures or militarizing basic government service provision is not a recipe for state stability. While the provision of life-saving assistance is essential, the practice of giving out large amounts of unconditional assistance often undermines the ability of local communities to organize for longer term change that would build stability.
- *Military staffing patterns rely on rotating key personnel, hampering the capacity for development of longer term programs.* High staff turnover can constrain the military’s capacity for building the sustained relationships and partnerships with communities that are the fundamental foundation of all effective development work.

From the perspective of operational NGOs working in the field alongside the US military, there is a related and pressing question of how the military’s involvement in development programs may hamper the ability of civilian agencies to do their jobs by undermining the safety and security of long-term civilian development actors and their beneficiary communities. The militarization of development assistance through a blurring of the lines between civilian and military roles can endanger lives and shut down projects.

Like many of our colleague agencies, Mercy Corps does not use arms and relies on the acceptance and support of local communities to provide a measure of security for our staff, and a measure of protection for the projects we work with local communities to implement. Mercy Corps’ recent experience in highly unstable Helmand Province in southern Afghanistan illustrates this point. We, like other NGOs operating in Afghanistan, have seen a spike in insurgent contacts with communities where we work. In one case, the women of a Helmandi village took up a collection of \$10 each, unbeknownst to us, to convince local Taliban to allow engineers to continue to work on a project developed in partnership with Mercy Corps. Another village has not only negotiated the return of all equipment and material seized in a recent raid but secured two separate written – written – agreements with different Taliban units to safeguard

community projects and permit them to continue working unmolested. None of these things would have happened if these communities did not know and trust Mercy Corps and value our projects so much that they are willing to stand up for their protection and continuation.

Unfortunately, the inverse is also true: when development assistance programs come to be seen as part and parcel of US military strategies, it can become more difficult for civilian development actors to work and may even push them out of the area. For example, one of our peer agencies recounts with some chagrin the conditions under which they were forced to close a long-standing health clinic last year in one strategically important province in eastern Afghanistan. Despite this, NGO's pleas with a US PRT to desist from opening a new military clinic two kilometers from their own, the PRT decided to go ahead with its project. The military clinic promptly drew attention and was attacked by insurgents. The ensuing combat, interceding as it did between the NGO and most of their beneficiaries and escape routes, forced the NGO to withdraw its teams and permanently close the clinic.

Increasingly, insurgents have been invading NGO compounds across Afghanistan in search of evidence of cooperation with PRTs and military units. After-action reports cite specific questions that have been asked about such cooperation. Indeed, a recent report by European NGOs cites an example from 2007 when a Danish NGO was told by community in Faryab that they could no longer protect them because a Norwegian PRT had visited one of their projects. In Iraq, similar dynamics have been common: we have seen cases where local contractors who "collaborate" with Coalition Forces have been threatened and in some cases killed, and numerous reconstruction projects that have been attacked and destroyed by insurgents.

Finally, the efforts of civilian NGOs have also been hampered in places like Iraq by new requirements that USAID-funded staff co-locate on military bases and seek DOD approvals and security clearances in order to have access to USAID. More specifically, we are now being asked to enter all personnel requiring clearance in the Synchronized Pre-Deployment Operational Tracker (SPOT) DOD database, which has a mandatory pull-down field where we must select the name of the military operation each staff member is supporting, despite the fact that our projects are civilian in nature.

Clarifying Roles and Responsibilities to Support Increased Civilian Capacity

The notion of "whole of government" approaches has gained currency in recent years, but in practice it has seemed to mean synchronizing and subsuming the work of civilian agencies under the military's policy leadership. Let me propose that rather than looking to align all existing capacities behind narrowly defined security objectives, the US should instead seek to develop clear and distinct diplomatic, development, and defense goals, and then structure involvement of civilian and military agencies according to the unique capacities they each bring to bear.

Development is most effective when it promotes not just American security goals but broader American values. In Afghanistan and Iraq, Mercy Corps has been able to work effectively in areas where the military is present, without tying our operations to theirs. Based on our experience, Mercy Corps believes that our model of operating contains some lessons for how the US can effectively pursue civilian-led complex development, even in difficult, insecure and transitional environments.

First, community ownership of aid efforts is fundamental to their effectiveness and durability. Community-led projects are those in which the beneficiary community has a central role in conceiving and implementing the project, and can hold the NGO or donor partner accountable. A Mercy Corps study of aid effectiveness in Kosovo found that taking a community-led approach to assistance projects correlates with increased citizen participation in governance. The study also found that when a community-led methodology is not used, the quality of assistance suffers – gaps open up between program approaches and actual community needs. Community ownership of an activity also ensures that a strong knowledge of the local context will guide programming decisions and design appropriate interventions. When this sort of contextual knowledge is lacking, there is a large risk that a project will turn into a white elephant.

Second, the independence of development actors is an important component of effectiveness. In dangerous contexts like Iraq, Afghanistan, or Somalia, US NGOs cannot operate with security if we are perceived to be working in close concert with a foreign government or foreign military force. The fact that we seek to act as an independent organization, and are perceived that way by both our partner communities and various armed actors, enables us to build a level of trust that would be impossible if we were more closely associated with a government or security actor's agenda.

Third, building local capacity is essential. Effective recovery and development depends upon working through local actors and developing their capacity. Mercy Corps builds partnerships with local civil society groups and community leaders and puts them in the lead whenever possible. Using USAID funds in Kosovo, Mercy Corps has worked through community groups and municipal authorities to improve citizen-to-government linkages and help hundreds of displaced minority families rebuild their houses and livelihoods in their home communities. A recent study examining this program found that over 90% of MC-supported projects were still being maintained by beneficiary communities up to three years after their completion. In addition, Mercy Corps' commitment to developing local capacity is also reflected in our own staff composition – 93% of our global field staff is locally-hired national staff.

All of these elements come together in the USAID-funded Iraq Community Action Program, implemented since 2003 by four NGOs to engage Iraqis in the rebuilding and renewal of their country. During the first five years of the program, ICAP partners - CHF, ACDI/VOCA, IRD and Mercy Corps, - invested \$271 million in USAID funding to support over 6,000 local projects in all 18 governorates of Iraq. This funding supported formation and training of 1,457 Community Action Groups made up of community members who bring their neighbors together to decide what needs to be done to stabilize their local communities and promote longer term development. Communities in Iraq

invested over \$74 million of matching funds in the program. From 2003 – 2008 ICAP created more the 2.7 million days of employment and 34,000 long-term jobs, of which 43 percent have gone to women.

We are now mid-way through the third phase of this project and are working to build and strengthen the relationships between Community Action Groups and local and provincial governments. This program was identified in the recent report by the Special Inspector General for Iraqi Reconstruction as one of the few success stories in the US reconstruction effort. And all this has been done as unarmed civilians, operating in a very challenging security environment.

Conclusion

A better balance between the roles, capacities, and resources of civilian and military actors would do a great deal to enhance the USG's ability to work effectively in complex development environments. To that end, I would like to suggest a few concrete steps that the Appropriations Committee could take that would contribute to such a rebalancing:

- *Provide long-term funding* – Effective development requires long-term commitments. Funneling large amounts of money through short-term instruments like the CERP and PRTs does not effectively serve development goals. The USG should instead focus the bulk of its reconstruction funding on civilian actors that are better able to pursue sustained, long-term assistance strategies, including greater use of complex development strategies that enable community-led work even in insecure environments.
- *Provide flexible funding for civilian agencies* – There remains a serious imbalance between the flexibility and agility of funds going to DOD vs. those going to USAID. While accountability is of fundamental importance, it is also true that when decisions on funding priorities are made in Washington rather than on the ground, the quality of assistance suffers. Civilian actors should be given an appropriate level of flexibility and ground-level, decentralized decision-making authority.
- *Rebuild USAID* – The imbalance in personnel resources between USAID and DOD must also be rectified. The US has robust development ambitions, and yet it is clear that we lack the tools to pursue these ambitions effectively. The caps on USAID's permanent staff size are a major impediment to effectiveness. A sustained process to grow USAID's staff size, while investing in staff capacity, will improve the agency's performance and lift much of the development burden off of the military.
- *Create structures on the ground in transitional environments that will allow for short-term and long-term development objectives to be effectively pursued by civilian agencies and their NGO partners.* This would include adequate staffing for USAID missions, sufficient ambient protection to allow civilian agencies to carry out their work, and specific funding streams to bridge the gap between emergency and long-term development programs, among other things.

- *End the practice of requiring NGOs to co-locate on military bases and to follow DOD administrative procedures.* The independence of US civilian agencies is best supported by allowing for a clear delineation between military and civilian personnel and facilities.
- *“Civilianize” 1207* – Section 1207 funding was designed as a temporary means of combating extremism, preventing conflict and building stability in under-resourced countries. It is now evolving into a permanent means for DOD to act as a “donor” to our civilian agencies. This authority should be rolled back, and the funding should instead be appropriated directly to civilian agencies like USAID.

I thank you again for the opportunity to speak to you and welcome any questions you may have.

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