The Role of Civilian and Military Agencies in the Advancement of America's Diplomatic and Development Objectives

Testimony of

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Thank you Madam Chairwoman, Congresswoman Granger and members of the subcommittee for inviting me to testify today. The hearing you are conducting on these issues is critically important. We are at a crossroads in American foreign policy and we have a unique opportunity to rebalance, redefine and rebuild the instruments of American statecraft. Your hearing will make an important and timely contribution to that effort. The new administration has begun that effort by proposing a budget that would significantly increase resources for our diplomatic and development programs, while slowing the growth of our defense spending.

The focus of your hearing is on the growing role of the Defense Department and the military services in planning, budgeting, and implementing security and foreign assistance programs. This trend has been noted both by the Secretary of Defense and, most recently, the Chairman of the Joint Chiefs of Staff, Adm. Mike Mullen, who referred to the "militarization" of our foreign policy in a February 5 talk at Princeton: "You've heard us, some of us and certainly me, talk about our foreign policy being too militarized. I believe that. And it's got to change."

I want to focus my testimony today on this trend, describing the authorities, programs, and budgets for security and foreign assistance that have been developed at the Pentagon over the past ten years and what their implications are for the military, for the balance in our toolkit of statecraft and the capabilities of our civilian institutions, and for the role and credibility of our international leadership. Overall, I think this is a dangerous trend: it expands the missions of our military into areas that are not their core competence, by default it weakens our civilian diplomatic and development tools, and it puts a uniformed face on America's international engagement.[1]

After decades of advising foreign governments and militaries to restrict their uniformed forces to their proper role in providing military security for the nation, we are on the verge of sending a signal to the world that it is appropriate for our military to expand their missions into roles and responsibilities that properly belong in the civilian sector. It will not be easy to reverse this trend, but it is important to do so and I will suggest some steps we may want to take to restructure the balance of our own national security institutions. Restoring this balance is important, I believe, to our fiscal health, our democratic institutions, and to our national security, image, and international leadership.

Defense Programs, Authorities and Resources

The Department of Defense has long been involved in international areas outside their principal mission of kinetic operations. DOD and the military services are primarily responsible for drawing up and implementing programs for Foreign Military Financing

[1] This testimony draws primarily on three sources of research: The October 2008 report, *A Foreign Affairs Budget for the Future*, jointly conducted and published by the Stimson Center and the American Academy of Diplomacy, in which I participated; the December 2007 report *Integrating 21st Century Development and Security Assistance*, from the Task Force on Non-Traditional Security Assistance of the Center for Strategic and International Studies, of which I was a member; and the draft of a forthcoming book *Buying National Security*, of which I am the co-author.

(equipment, training, and services) for friendly and allied nations, and for military education for the officers of other militaries (International Military Education and Training – IMET), both under the policy guidance and with budgetary funding from the State Department.

The military's nation-building programs find their roots at least as far back as the Vietnam War. The expansion of counter-narcotics programs at DOD also expanded the military mission into training and foreign assistance. Military information and broadcasting programs have thrust the military deeply into the arena of what is generally described as "public diplomacy."

The most recent trend in such programs, however, has grown out of counter-terrorist operations and the deployment of American forces to Afghanistan and Iraq. Over the past ten years, the Defense Department has significantly expanded its own direct authorities, programs, structures, and funding for security assistance and training, counter-terrorism training, economic assistance for reconstruction and stabilization (R&S), and budgetary support for other governments. This includes new authority for global training and equipping of foreign security forces (Section 1206), authority to transfer funds to State for conflict resolution and reconstruction and stabilization projects (Section 1207), authority to provide econonomic, governance, and development assistance (CERP), military training programs in Afghanistan and Iraq (ASSF and ISSF), authority to train foreign forces for counter-terror operations (CTFP), and funding to subsidize the budgets of governments assisting the U.S. in counter-terror operations and in Iraq (CSF).

In addition to these new authorities and programs, the Defense Department issued DOD Directive 3000.05 in December 2005, placing stabilization and reconstruction missions on par with combat missions for the U.S. military. In January 2009, the Defense Department issued a new DOD Directive 1404.10, revising and expanding its guidance for creating a DOD-based Civilian Expeditionary Workforce (CEW), which would be responsible for supporting the military in humanitarian operations and stability operations, along with other non-traditional military tasks like counternarcotics and disaster relief.

Starting with the new AFRICOM combatant command, and now in SOUTHCOM and CENTCOM, the military is expanding its regional command responsibilities to bring civilian diplomatic and development agencies under its wing. As SOUTHCOM Commander Adm. James Stavridis put it in January 2008: "It's not because we're trying to take over at Southcom – it's because we want to be like a big Velcro cube that these other agencies can hook to so we can collectively do what needs to be done in this region."

DOD has also sought to expand the mission of such pre-existing DOD activities as the Overseas Humanitarian Disaster and Civic Aid program (OHDACA), and the Combatant Commander's Initiative Fund (CCIF) to cover stabilization and reconstruction activities.

Let me point out that the State Department, in the previous administration, acquiesced or actively approved this expansion of direct DOD authorities and responsibilities. The six new programs listed above were provided over $50 billion between FY 2002 – FY2009. Over the same period of time, the Foreign Military Financing and IMET programs were provided nearly $40 billion, making DOD directly responsible for 55 % of U.S. security assistance overseas during that period of time.

The Civilian Institutional Problem

The trend I am discussing has come about in part because of the expansion of our military missions into new countries and new responsibilities. It also reflects a fundamental weakness in our civilian institutions. During the past 30 years, our civilian diplomatic and foreign assistance institutions of statecraft – primarily the State Department and USAID – have lost a good deal of their capacity.

In our recent Stimson Center/American Academy of Diplomacy study, *A Foreign Affairs Budget for the Future* we found that the direct USAID workforce declined from 4,300 at the end of the Vietnam War to 2,200 in 2007. Between 1995 and 2007 alone, USAID's permanent FSO corps, excluding the Inspector General's office, fell from 1,337 to 1,019, a reduction of almost 24% while at the same time the total level of economic assistance programs for which USAID is responsible (excluding cash grants), rose from $4.7 billion to $11.6 billion. These shortfalls led USAID to become primarily a contract management agency that out-sources much of America's bilateral foreign assistance.

The State Department has had a comparable history. After the fall of the Cold War, the U.S. significantly expanded its presence around the world, opening 20 new embassies and increasing its role in managing foreign assistance programs. Staffing increases were not commensurate, however, and the Department was forced to absorb its expanded mission with existing staff.[2] Our study found that by September 11, 2001, the overseas staffing shortfall in the State Department had approached 20%, with an even larger gap at USAID. Secretary of State Colin Powell's Diplomatic Readiness Initiative (DRI) created 1,000 more State Department diplomatic positions by 2004, but these were rapidly absorbed in Iraq, Afghanistan and neighboring countries.

Since the DRI ended in 2004, staffing increases at State have been concentrated in consular affairs and diplomatic security. Core diplomatic staffing deficits have, in effect, returned to 2000 levels.[3] As of 2008, State faced a personnel shortfall of more than 2,000 staff-years relating solely to enduring core diplomatic work, emerging policy challenges, and critical training needs.[4] This shortfall is especially noticeable in the part of the State Department that is most directly responsible for security assistance. Over the past decade, Political-Military specialists in the Foreign Service have declined from 63 FSOs to just

[2] Stimson/Academy Study, "A Foreign Affairs Budget for the Future," p.9.
[3] Ibid.
[4] Ibid.

19; this despite an overall increase in State Department security assistance funding from $3.7 billion to $5.7 billion.[5]

Today, there are simply not enough personnel at USAID and the State Department to perform the tasks asked of them or to staff all posts while officers receive critical training.

Equally important, the State Department and USAID had virtually no capacity to provide the staff and expertise needed to undertake stabilization and reconstruction programs in Afghanistan and Iraq. Once the U.S. occupation authorities realized that the U.S. had taken on a responsibility for which it had not planned and was unprepared, it was forced to turn to the military forces for funding (CERP) and personnel needed to begin the tasks of reconstruction and governance that local authorities were incapable of delivering.

Our report also found that personnel policies and structures at the State Department and USAID do not fully prepare Foreign Service Officers for the new environments in which they are working. While there are many exceptional Foreign Service Officers, the recruitment, training, incentives, and promotion structure do not serve them well for these new missions. Whereas military officers are expected to work in multiple disciplines and across tasks as part of their career path, Foreign Service Officers are generally discouraged from cross-cone or cross-agency assignments.

The culture of the State Department and the Foreign Service is largely focused on the historic and important roles of diplomats: report, negotiate and represent. They perform these skills superbly well, in the service of the nation. But these skills, alone, no longer reflect the reality of the new missions we are asking our Foreign Service Officers to perform: counterterrorism, counternarcotics, reconstruction and stabilization, development and governance support. These missions require broad technical, economic and programmatic skills, as well as the cultural and linguistic knowledge we give the Foreign Service. Our broad array of foreign assistance and development programs cry out for a work force skilled in strategic and budgetary planning, and program development, implementation, and evaluation.

Budgetary resources have also been a persistent problem for State and USAID. Initially this might not appear to be the case. The Function 150 International Affairs budget tripled in current dollars between 1977 and 2000, rising from $8.2 billion to $22.6 billion. But when one examines the difference in real (uninflated) terms, the 150 budget has actually shrunk 3.0% over 24 years. No wonder the State Department is giving way to the DOD in critical areas like security assistance and stabilization and reconstruction.

The picture is even bleaker when you consider the program cuts in USAID's budget between 1977 and 2000. Looking at the key USAID programs (CSH, DA, ESF, and SEED), funding levels more than doubled in current dollars but fell by 23.9% in real terms. The budget for USAID operating expenses has also declined, falling 3.6% between 1977 and 2000. Sharp cuts in program and operational budgets have forced

[5] Ibid., p. 50.

USAID to shed employees. The scope of State's development and security assistance portfolio has expanded considerably since 2000, but funding has not accelerated and financial and human resources are stretched to the limit.

In addition to the problems of personnel shortages,(both numbers and skills), the absence of capability, and budget shortfalls, the State Department and USAID have had to deal with the realities of a statutory framework that does not provide flexibility for contingency operations overseas. The Foreign Assistance Act (FAA) of 1961 and the Arms Control and Export Act (AECA) of 1972 were written and even amended in a previous era and do not reflect the current political or security environment or give the State Department and USAID the flexibility and agility they need to respond to the new era.

Personnel shortages, flat budget resources, and restricted authorities combined to make it difficult for the State Department and USAID to respond to the challenges of the post-9-11 era and the invasions of Afghanistan and Iraq. Defense Department authorities were greater, the military could respond more quickly, and the resources could be raised for that response. As a result, the military and the Department moved to create their own foreign and security assistance authorities that are more flexible and agile.

Reconstruction and Stabilization Programs

The civilian institutional problems and the growth of DOD and military service responsibilities are particularly noticeable with respect to the mission of reconstruction and stabilization. Afghanistan and Iraq revealed a glaring gap in our capabilities. Even with these experiences, the government continues to be somewhat chaotic in the way we have developed an institutional response. Today we have at least seven programs and offices with responsibility for this mission, based in different departments and with overlapping capabilities. The DOD programs are by far the best funded and most flexible.

1. Provincial Reconstruction Teams (PRT): perhaps the most innovative, but "built in the field" in Afghanistan and Iraq, funded from multiple spigots (primarily CERP), thinly coordinated, and not strategically planned. The Investigations subcommittee of the House Armed Services Committee recently reported that the PRT effort is largely *ad hoc* in nature: The PRTs "are not subject to a unified or comprehensive plan for stability, security, transition, and reconstruction in either Iraq or Afghanistan….The relevant departments have not articulated clear objectives for what they want PRTs to do, and they cannot effectively evaluate their performance….There is no clear definition of the PRT mission, no concept of operations or doctrine, no standard operating procedures…. The funds are not controlled or coordinated centrally; rather, different agencies control the different funds"[6]

[6] U.S. House of Representatives, Armed Services Committee, Subcommittee on Oversight and Investigations, "Agency Stovepipes v. Strategic Agility: Lessons We Need to Learn from Provincial Reconstruction Teams in Iraq and Afghanistan," April 2008, pp.16,18,23.

2. The Commander's Emergency Response Program (CERP). DOD created this program in Iraq and it operates in Afghanistan. CERP provides some of the PRT's most flexible and agile funding, but is also widely used for purposes many of which are development assistance.

3. The Combatant Commander's Initiative Fund (CCIF). CCIF is a long-standing, joint staff source of small funding for local military initiatives. DOD has sought and received authority to expand its reach to reconstruction and stabilization activities. The Pentagon sought to expand this fund to $100 million in the FY 2009 budget, but was appropriated $50 million

4. The Office of Transition Initiatives (OTI) at USAID targets transitional governance and early stabilization programs in countries emerging from conflict, including activity in Iraq and Afghanistan. OTI remains small at roughly $40 million per year.

5. The Office of the Coordinator for Reconstruction and Stabilization (S/CRS). S/CRS was created in 2004 and empowered by the White House through NSPD-44 in late 2005 to coordinate government-wide planning for R&S operations (outside of Iraq and Afghanistan), to develop a matrix for anticipating such crises, and to create an active, stand-by and reserve corps of civilian specialists for such missions in the future. The FY 2009 budget sought $248 m. to create a standing S/CRS capability for such missions, and another 210 positions to fulfill these new missions. State was provided $30 million for these programs in FY 2008 emergency supplemental funding, with USAID receiving $25 million.

6. The Overseas Humanitarian, Disaster, and Civic Aid (OHDACA) program at DOD has also been given more resources ($103 million in FY 2008 and $83 million in FY 2009) to provide disaster assistance in foreign countries. DOD has sought to expand its ODHACA authority to include stabilization activities.

7. The Civilian Expeditionary Workforce (CEW) is the most recent effort by the Defense Department to establish its own reconstruction and stabilization capacity. The Directive establishing the policy for the (CEW) states that, "Members of the DoD Civilian Expeditionary Workforce shall be organized, trained, cleared, equipped, and ready to deploy in support of combat operations by the military; contingencies; emergency operations; humanitarian missions; disaster relief; restoration of order; drug interdiction; and stability operations of the Department of Defense…[7]

We have clearly expanded capabilities for stabilization and reconstruction in several directions at the same time. DOD is taking a strong lead, and developing significant internal military and civilian capabilities, yet there is a fundamental problem with this approach. Institutional development needs to follow from a clear mission. But the

[7] DOD Directive 1404.10, Undersecretary of Defense (Personnel and Readiness), 23 January 2009.

mission the United States is taking on here is unclear. Despite NSPD-44, there is no clear mission definition or national strategy for post-conflict reconstruction and stabilization and we are at serious risk of "fighting the last post-war" of Iraq. This raises a number of key questions that we must answer in order to understand the possible security challenges that confront us:

- Are we concerned about deploying civilian forces alongside a major U.S. military deployment in a post-conflict environment? If so, where do we anticipate deploying military forces in such large numbers that a large civilian governance capability is needed alongside? There is a risk here of fighting the last post-war in Iraq, rather than designing a capability for a likely future contingency.

- Are we concerned about smaller scale international interventions to deal with post-conflict and post-civil war situations like Darfur? If so, is a large, new capability needed, or should we expand existing capabilities at USAID, using the DART Team and OTI models? If policing is the key issue in these situations, do we need a large, cross-agency capability to target this rather specific need?

- Are we concerned about strengthening governance in countries where the state is weak or failing? In which case, how does the mission differ from that of existing USAID programs to strengthen governance and the rule of law? Should we not be strengthening USAID to perform those missions, as part of our multilateral engagement?

In the absence of clarity about the mission, the "diaspora" of programs across the State Department, Defense Department and USAID has important implications. First, the authorities and programs duplicate each other, adding to their overall cost. The eight reconstruction and stabilization authorities listed above cost approximately $2 billion in FY 2009, not counting the costs to develop and maintain the Civilian Expeditionary Workforce at the Defense Department.

Second, despite NSPD-44 and the existence of an S/CRS-designed matrix for interagency operations, there is little actual coordination across the government of reconstruction and stabilization programs. This is evident most clearly in the case of the PRTs where there is no formal process for communication and coordination of military and civilian operations. Any coordination that does take place is *ad hoc* and relies on the working relationships between people in the field.

At the very least, it is time to step back and examine what we want to accomplish with respect to governance, failed states, and post-conflict reconstruction, before we expand these multiple capabilities even further.

Security Assistance

The planning, budgeting, and implementation of U.S. security assistance have been significantly affected by the trend toward giving DOD direct responsibility for these

programs. In the past, security assistance policy, country selection, and budgeting has been the responsibility of the State Department, with the services and DOD playing an important role, both in program planning and implementation, primarily through the Defense Security Cooperation Agency (DSCA).

Starting with the conflict in Afghanistan and the U.S. invasion and occupation of Iraq, U.S. security assistance programs changed dramatically, with the significant development of new programs and authorities based in the Defense Department.

1. Section 1206 of the National Defense Authorization Act gives DOD the direct authority to build the capacity of foreign military forces on a global basis. The authority was created in the FY 2006 Act and included authorization to cover training for internal security forces. Funding for 1206 programs has grown from an initial authorization of $200 million to an FY 2009 appropriation of $350 million. The authority is temporary, through FY 2011, but DOD has for three years sought to make the program part of its permanent law in Title 10 of the U.S. Code. 1206 provides programs that are similar in nature to Foreign Military Financing, but with greater flexibility. They are also similar to the Peacekeeping Operations account at the State Department. State Department concurrence is required on specific programs funded under Section 1206.

2. Coalition Support Funds (CSF) allow DOD to reimburse partner nations providing in-kind assistance for U.S. combat and counter-terror operations in Iraq and Afghanistan. It is, in effect, budget support, similar to past uses of Economic Support Funds, administered by the State Department. Pakistan is the largest recipient of CSF funding, followed by Jordan. Both also receive ESF funding. The FY 2009 appropriation for Coalition Support Funds is $200 million but in past years the program has been appropriated as much as $1.1 billion.

3. The Afghanistan and Iraq Security Forces Funds (A/ISFF), operated by the Defense Department and the military, provide substantial training, equipment and services for the military and security forces of those two countries. Over the past eight years, these programs have constituted the largest security assistance program undertaken by the United States, totaling nearly $35 billion The program is similar to Foreign Military Financing programs, but with a larger training component.

4. The Combating Terrorism Fellowship Program (CTFP) is a small {$?} training and education program on counter-terrorism strategy and tactics, designed for foreign military officers. CTFP is a permanent DOD authority in Title 10, but is implemented using the IMET administrative machinery at DOD.

It is striking that in each case, the new DOD program is similar to or parallel with existing State Department authorities. While State Department concurrence is required for some programs, such as Section 1206, the programs are planned, initiated, implemented and funded through DOD authorities. Moreover, since 2007 DOD has

proposed making Section 1206 (as well as the CERP program above), part of permanent law, under Title 10 of the U.S. Code, which would enshrine these security and foreign assistance activities as a permanent part of Defense Department responsibility.[8] DOD has sought this permanent law status despite the observation that the "militarization" of U.S. foreign policy is undesirable. Table I, appended to my testimony, details the funding appropriated to DOD for programs in security assistance and reconstruction and stabilization.

The Down-side of Militarization

Given State Department and USAID weaknesses and the urgent requirement generated by the war in Afghanistan and the invasion and occupation of Iraq, the trend toward "militarization" is explainable. The question remains as to whether it is desirable. There are three major implications of this trend which have a direct bearing on our national security and the long term balance of our policy institutions.

The Mission is Not Core to the Military

Nation-building is not a core military mission, however well-intended and implemented it may be in specific circumstances. The military is simply not trained or staffed to plan and execute economic, social, or political development. The military has no core capacity for development and governance, though it can play an important role in providing short-term security and stability. Indisputably, in areas of active combat operations or where security conditions do not permit civilian presence, the military is best suited to provide such stability, security, and initial recovery projects, such as those envisioned under the original CERP guidance. However, the military is manifestly not the best qualified to provide large-scale reconstruction and assistance efforts outside combat zones, though such efforts have been and continue to be made through the CERP and PRT programs.

Military forces also have a decided advantage in rapid response to humanitarian disasters, providing immediate security and airlift. This was evident in the U.S. response to the Tsunami in Southeast Asia, where Navy ships operating in the Pacific could quickly aid affected areas. However, an OECD study concluded that civilian personnel are ultimately more effective in carrying out humanitarian tasks, including in conflict situations, interacting with the local population, providing the most suitable medical response, managing refugee camps, and providing water and sanitation.[9] As the OECD study noted, in the case of the Rwanda crisis of 1994, military personnel were "skilled in their own areas, [but they] had no unique competence in such matters as refugee camp construction, community health and disease control, or shelter management. Moreover, their security preoccupations — for example, the prohibition against U.S. forces from

[8] "Building Partnership Capacity", Office of the General Counsel, Department of Defense, 3 May 2007; "Building Partnership Capacity" Office of the General Counsel, Department of Defense 23 May 2007; "DOD FY 2009 Budget Request Summary Justification", Comptroller, Department of Defense February 2008.

[9] OECD/DAC Task Force on Conflict, Peace and Development Co-operations, "Civilian and Military Means of Providing and Supporting Humanitarian Assistance During Conflict: Comparative Advantages and Costs," Paris: OECD, 1998, pp. 12-15.

leaving the Kigali airport, the reluctance of the Japanese to work in refugee camps — also circumscribed what the troops themselves were able to achieve."[10]

Gearing up the U.S. military to perform foreign assistance and development programs over the long term passes civilian responsibilities over to the military. The result is an additional burden on and stress for the military, already concerned by the stress of long-term rotations in Iraq and Afghanistan. The U.S. military has enough on its plate protecting civilians, combating terrorists and holding back insurgents in the Middle East and across the world.

Very little in the experience of Iraq or Afghanistan suggests that the U.S. military is naturally suited or highly capable of developing, implementing, sustaining, or evaluating complex, long-term investments in social, economic or political development – the fundamental work of nation-building. As for security assistance, it is clear that military forces have capabilities to provide equipment and services. Training, however, is a burden on operating forces, hence the frequent recourse the military has to private contractors to provide such training in Iraq, Afghanistan, and through the Section 1206 program.

The Trend Further Atrophies Civilian Institutions

To the degree that we further empower military institutions for planning security assistance and nation-building programs, we further dis-empower our civilian agencies to carry out such programs. Although civilian staffing and budgets have grown over the past eight years, much of that increase has gone to the Millennium Challenge Corporation, HIV-AIDS and infectious disease programs, and Diplomatic Security. Staff and funding for core foreign assistance, development, and new post-conflict responsibilities have not grown. Leaving these missions to the military reinforces the notion that the civilian agencies are not adequate to the task, creating a self-fulfilling prophecy.

A Uniform Face on U.S. Overseas Engagement

The gradual militarization of U.S. foreign policy also has major implications for the direction and visibility of U.S. foreign policy. This is particularly a problem in security assistance. There have been questions about the role and direction of U.S. security assistance programs since they first began in the 1950s, in the context of the Cold War. Latin American programs faced particular criticism, given the role played in Latin America by local militaries and military officers who had been supported by U.S. assistance programs and had received military training in the United States. Given the history, foreign policy guidance and oversight on U.S. security assistance programs has always been an important principle of U.S. statecraft.

The rapid growth of security assistance programs at the Defense Department has again raised the question of the need for foreign policy guidance. Although Section 1206 programs require the concurrence of the State Department, they are initiated in the

[10] Larry Minear and Philippe Guillot, "Soldiers to the Rescue: Humanitarian Lessons from Rwanda," Paris: Organization for Economic Co-operation and Development, 1996, p. 151.

military and the Defense Department. Understandably, these programs will serve military needs, but they may not always meet the test of the broader foreign policy guidance the State Department should provide.

To the international community, the initiating and leadership role the Defense Department has come to play in these programs, as well as those for nation-building, puts an increasingly uniformed face on America's global engagement. Secretary of Defense Robert Gates gave voice to this problem in July 2008:

> Overall, even outside Iraq and Afghanistan, the United States military has become more involved in a range of activities that in the past were perceived to be the exclusive province of civilian agencies and organizations. This has led to concern among many organizations – perhaps including many represented here tonight – about what's seen as a creeping "militarization" of some aspects of America's foreign policy. This is not an entirely unreasonable sentiment….[11]

A 2006 staff report from the Senate Foreign Relations Committee noted that "In Latin America, especially, military and intelligence efforts are viewed with suspicion, making it difficult to pursue meaningful cooperation on a counterterrorism agenda."[12] According to the Commandant of the U.S. Coast Guard, Admiral Thad Allen, the government of Mexico resisted U.S. efforts to place the country under SOUTHCOM's (or any other combatant command structure) area of responsibility for counternarcotics assistance to make the point that it does not want the U.S. military involved in what it considers to be its internal affairs.[13] Former Foreign Service Officer Gerald Loftus writes that "African publics and governments have already begun to complain that U.S. engagement is increasingly military."[14]

As a Congressional Research Service report of August 2008 noted, using U.S. military personnel in state-building activities conveys mixed signals when the objective is promoting democracy and enhancing civilian control.[15] Having the military define security assistance objectives, putting a uniformed face on U.S. global engagement, and expanding the U.S. military's role in nation-building may not be in the long-term interests of U.S. national security and foreign policy. To the extent we have and continue to argue that the militaries of other countries should restrict their activities to strictly military missions, we will want to give careful scrutiny to the extent to which we broaden the missions or our own forces.

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[11] Robert Gates, "Tools of Persuasion and Inspiration", Speech before the *U.S. Global Leadership Campaign*, 15 July 2008.
[12] U.S. Congress, Senate, Committee on Foreign Relations. *Embassies as Command Posts in the Anti-Terror Campaign*. Washington, D.C., December 2006.
[13] Testimony of Commandant of the U.S. Coast Guard, Admiral Thad Allen, before the Senate Appropriations Subcommittee on Homeland Security, September 7,2006.
[14] Gerald Loftus, "Speaking Out: Expeditionary Sidekicks? The Military-Diplomatic Dynamic," *Foreign Service Journal*, December 2007, p. 16.
[15] Congressional Research Service, CRS Report for Congress, "The Department of Defense Role in Foreign Assistance: Background, Major Issues, and Options for Congress," 25 August 2008.

Recommended Steps for Change

It has taken several decades for this trend to become established; it will also take time to reverse the trend. The first step is to strengthen the capacity of civilian institutions to carry out these missions. If the State Department and USAID were asked today to assume responsibility for the authorities and programs we have developed at DOD, they would not likely be up to the task. Personnel, training, and budgets are not currently adequate to take on this mission. The forthcoming budget proposal from State, we think, will reinforce this requirement and seek funding for staff and program expansion. The mission itself also needs to be clearly defined, in order to shape the civilian institutions, authorities, and budgets appropriately.

Increase Human Resources

The first step toward strengthening our civilian instruments of statecraft is to rebuild their human resources, focusing on personnel for core diplomacy, public diplomacy and foreign assistance staff.

In our study with the Academy, we make concrete recommendations for the number and types of people needed for the State Department and USAID to carry out their missions.

We recommend that U.S. direct-hire staffing be increased by 4,735 during the 2010-2014 time period, a growth of 46% above current levels for core diplomacy, public diplomacy, economic assistance, and reconstruction and stabilization. This increase should be accompanied by significant increases in training and in the number of locally employed staff retained overseas. We estimate that the total cost of these additional staff and related expenses will rise to $2 billion annually by 2014.[16]

With respect to State, we recommend significantly increasing the political-military specialization, growing that pool to the 50 or so staff that would be needed to take on greater security assistance responsibilities. The cost of this additional staff is relatively small at $24.2 million per year by 2014. With respect to USAID, we recommend a significant staff expansion, (on the order of 3,400 personnel[17] and at a cost of $521 million by FY 2014), in part to reduce the agency's reliance on Personal Service Contractors, and to enhance the in-house capacity for program development, management, implementation, and evaluation, which will be critical for our overall effort to strengthen civilian capacity for social, political and economic development. Staff growth at USAID will also enhance the organization's capability to take on the governance/failed state/post-conflict responsibilities we think it should have.

Reorient the Human Resources

Adding to State/USAID staff is a start, but will not in itself adequately strengthen the civilian agencies for the 21st century missions they face. We also recommend that part of the staffing increase allow for greater use of training opportunities and cross-agency assignments for personnel, to broaden their skills in strategic planning, program

[16] Stimson/Academy Study, "A Foreign Affairs Budget for the Future," op. cit.

[17] This figure includes: 1,050 Foreign Service Officers ($352.5 million by FY 2014), 200 Civil Service ($25.3 million by FY 2014) and 2,150 Locally Engaged Staff ($143.3 million by FY 2014).

development, implementation and evaluation, and resource planning. These opportunities and skills will be an essential part of creating a new breed of diplomat, one who does strategic planning, thinks about the long-term, and can design and implement effective programs.

The State Department needs to begin to recruit the next generation of diplomats who have broad technical, economic, and programmatic skills, as well as cultural and linguistic knowledge. This should include officers at mid-career levels, who can bring these skills to our foreign policy institutions right away. Career-long training should sharpen and expand these skills.

Foreign Service career paths also need to change to include cross-functional and cross-department posting. This means a major cultural change in the Foreign Service. It is important that officers are exposed to assignments across the State Department's cones – political, economic, administrative, public diplomacy, and consular – and across the foreign policy community. Foreign Service officers should be incentivized and rewarded for holding a development or foreign assistance post in their careers. And they should be incentivized to take on cross-agency assignments to Defense, to Treasury, to Commerce, Justice, or Homeland Security.

Integrate Strategic and Budgetary Planning

One of the major strengths of DOD and one of the major weaknesses of State/USAID is in the area of the link between strategic planning and resource planning. For State/USAID to assume greater responsibilities, it will need a much more developed planning capability than it now has. For decades, strategic planning and budgeting have been a consistent weakness of our diplomacy and foreign assistance programs.[18] A very important first step in building this capability is the appointment of a second Deputy Secretary of State for Management and Resources, a position now filled by Jack Lew.

It will be very important for the new Deputy Secretary to build on the planning capacity already begun in the Office of the Director of Foreign Assistance (F), integrating long-term strategic planning for foreign assistance and for management into the same organization.[19] This capability needs to increase its transparency to the field and to the Congress, focus more on the long term, and link operations and programs more fully. It should also explore building greater capacity for budgeting and program development in the State Department's regional bureaus, building on the capacity already in place at EUR/ACE, in the Bureau for European and Eurasian Affairs.

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[18] Gordon Adams, "The Politics of National Security Budgets," Policy Analysis Brief, The Stanley Foundation, February 2007.

[19] The F office has already begun to improve State's foreign assistance planning capability, and has built on its first years of operation to streamline its processes and integrate the field more fully into its operations. For an expansion of these views, see Gordon Adams, "Don't Reinvent the Foreign Assistance Wheel," *Foreign Service Journal*, March 2008, pp.46-50 and Gordon Adams, "Getting U.S. Foreign Assistance Right," *Bulletin of the Atomic Scientists*, May 2, 2008.

It will be equally important to give this planning and budgeting capability responsibility for both near-term and long-term foreign assistance programs, including security assistance and support to fragile states and post-conflict areas. Development and foreign assistance policy for the 21st century must make development (the third D) an equally important tool of our overall statecraft. Our development goals should not be separate from our overall objectives as a nation, but should be an integral part of our statecraft and one of the key objectives of our diplomacy.

This also means the State/USAID planning process should take the lead in planning, budgeting, and coordinating the development and foreign assistance programs of the federal government as a whole, including agencies that are not part of the International Affairs function of the federal budget.

Strengthen the Authorities of the Secretary of State

As the State Department and USAID capabilities grow, it will be important to give the Department the authority to execute many of the programs currently being carried out under DOD authorities.

The first step is for the Department of Defense to agree to continue Section 1206, 1207, and CERP authorities as temporary, under its annual authorizations, rather than seek authority for these programs in permanent law.

Second, working with the Congress, the Secretary of State should be given full authority to plan and budget for security assistance in the framework of overall U.S. foreign policy, including authority over the new programs created at DOD. State should set overall security assistance policy, approve the countries that are to receive such assistance, and plan the budget requirements for such assistance. The Office of the Secretary of Defense and the COCOMS should have a role in making recommendations to the Secretary of State on these issues and the Defense Department should continue to have responsibility for executing these programs. This will require a reexamination of State authorities under the FAA and AECA for Foreign Military Financing and the Peacekeeping Operations, seeking to provide adequate flexibilities to State to operate a more agile security assistance account.

Third, there needs to be a close look at the CERP program at DOD, at Section 1207 funding, and at the location and capabilities of State/USAID for operations in fragile states and post-conflict areas. I would recommend rather significant changes in the way these programs are currently structured. For the military, in areas where US military forces are engaged in on-going, significant levels of combat operations the Secretary of Defense should have the authority and funding, for the duration of the period of combat, to fund combat-related stabilization and reconstruction assistance. This means that DOD's current CERP authority should be limited to combat-zones only and defined as funds for short-term and immediate reconstruction. DOD should also have the authority to engage in clearly-defined and purely short-term emergency reconstruction assistance, in consultation with the Country Team and the Secretary of State.

Outside of combat zones where U.S. forces are engaged, the responsibility and funding for CERP-type operations should be in civilian hands entirely. This means, over time, phasing out Section 1207 authorities, and putting fiscal control over such operations in State/USAID hands, with a suitable contingency fund to support such operations. That contingency fund should include activities currently funded under CERP programs in non-combat areas, and other projects currently supported by Section 1207 funding.

With respect to State organization for such operations, I strongly urge the Congress to reconsider the current plan to build an operating capability at S/CRS. S/CRS seeks to develop a major capability, now rumored to be 10,000 strong, to carry out civilian post-conflict operations. It is doing so without a clear sense of the mission or a strategy into which this mission would fit. Unless the United States has decided to carry out a large-scale military/civilian intervention in another country, it is unwise to build this capability on the scale under discussion. If the mission is more restrained, as I suggested earlier in this testimony, there is likely to be a need for only a small capability, not the one currently under consideration.

Moreover, today, we are building this capability in an institution with minimal history of operational experience. And we are ignoring a capability for rapid deployment of civilians in fragile states that already exists: USAID. I urge reconsideration of the distribution of responsibilities for this mission, and would propose, instead, that S/CRS assume the role of contingency planner for such operations. The responsibility for recruiting such a civilian force, including the reserves, as well as its training, operations, and evaluation should be the responsibility of a rejuvenated USAID. The outline for such a capability already exists in that agency, given its history of DART teams for humanitarian intervention, the work of the Office of Transition Initiatives (OTI), and the Office of Conflict Mitigation and Management (OCMM), and the experience it now has in working with the military through its Office of Military Affairs (OMA).

Conclusion

It may take us a decade to rebalance the toolkit of American statecraft. If so, it will be time and resources well invested. A capable military, the best in the world, will have its proper role as a key support for American foreign policy. And we will have reversed a dangerous trend in the evolution of our institutions. If we fail to reverse that trend, I believe it will weaken both our military and civilian instruments, and not be in the best interests of our national security.

Table I.

New DOD Security Assistance Programs ($ in millions)									
Program	**FY02**	**FY03**	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**	**FY09**	**Total**
1206					$200	$300		$350	**$850**
CTFP	$18	$20	$20	$20	$20	$25	$30	$35	**$188**
CERP			$480	$854	$923	$956	$1,700	$1,500	**$6,413**
CSF	$490	$1,400	$1,150	$1,220	$935	$1,100	$1,100	$200	**$7,595**
1207					$100	$100		$150	**$350**
I/ASFF			$150	$7,485	$5,415	$12,900	$5,750	$3,000	**$34,700**
Total	**$508**	**$1,420**	**$1,800**	**$9,579**	**$7,593**	**$15,381**	**$8,580**	**$5,235**	**$50,096**