

DEVELOPMENT DIPLOMACY: MODERNIZING U.S. DIPLOMACY TO BETTER SUPPORT DEVELOPMENT



“We need to continue shifting our approach and our thinking from aid to investment, investments targeted to produce tangible returns...but we also have to expect more from developing countries. The political will must be mobilized to take on the biggest obstacles to a country’s own development.”

– Secretary of State Hillary Rodham Clinton

The last two decades have transformed our understanding of what it takes to achieve development. The surest path to creating more prosperous societies requires indigenous political will; responsive, effective, accountable, and transparent governance; and broad-based, inclusive economic growth.

Without this enabling environment, sustained development progress often remains out of reach. But development, which along with diplomacy and defense is essential to America’s national security, requires an updated engagement model. Traditional development approaches need to be broadened to produce a strategy of influence, engagement, and reform mobilization.

The Secretary’s Vision

Secretary of State Hillary Rodham Clinton is placing development at the center of U.S. diplomacy. We are working to realize this vision through three broad areas:

Prioritizing Partner Country Reform

Systemic reform within partner countries is often needed to achieve development goals. We will work with partner governments to:

- Implement catalytic changes that will unlock development progress by policy advocating at the highest levels, rigorously analyzing development constraints, and responding to and reinforcing effective reform campaigns.
- Define expectations, strengthen incentives for reform, and monitor progress. We should hold governments accountable if they fail to live up to their agreements.
- Amplify incentives for reform by promoting international standards critical to development progress—including for governance, transparency, anti-corruption, and economic freedom—and encouraging countries to join international organizations.

Strengthening and Using All of the Tools at Our Disposal

Our unique convening ability allows us to help unlock the economic potential of partner countries.

We also must be better stewards of foreign assistance resources. We will:

- Identify and integrate non-traditional tools of engagement. Trade agreements, debt forgiveness, technology transfers, remittances, and loan guarantees for private investors can help generate economic growth.
- Ensure coordination across U.S. government agencies. U.S. Ambassadors must lead the development of well-defined, shared objectives, ensuring all U.S. efforts are complementary and reinforcing.
- Employ best practices in program design, management, and evaluation. Our diplomats must be active participants in planning and allocating foreign assistance resources and effective managers of assistance programs.
- Strengthen and institutionalize the use of data and analysis to inform priorities and plans. Our resource allocation choices must be informed by rigorous assessments of what works.
- Focus relentlessly on results by validating our strategies with clear-eyed evaluations based on measurable benchmarks.

Investing in Our People

The State Department needs more experience in development economics, political economy, political reform, science and engineering, and evaluation, and increased knowledge of how to engage with non-traditional partners. We are taking actions to strengthen staff performance and training.

Examples of Development Diplomacy

Two initiatives exemplify our new approach:

- *Partnership for Growth:* In El Salvador, Ghana, the Philippines and Tanzania we are planning investments based on rigorous analysis and broad-based economic growth, and coordinating interagency tools to enhance incentives for reform.
- *Feed the Future:* President Obama’s global hunger and food security initiative reflects a U.S. Agency for International Development-led engagement in policy environment discussions with partner governments.