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Remarks on Foreign Assistance

Secretary Condoleezza Rice

Benjamin Franklin Room
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[Fact Sheet : New Direction for U.S. Foreign Assistance](#)

(10:00 a.m. EST)

SECRETARY RICE: Good morning, everyone, and welcome to the State Department. I would like very much to welcome our good friend and our supporter, Senator Dick Lugar of Indiana. If you would just stand so we can thank you for everything you do. (Applause.)

I also want to acknowledge that Professor Andrew Natsios is back to join us for this event. Thank you, Andrew, for your excellent service. (Applause.) And I'll have another introduction in just a moment.

Almost a year ago today, in his Second Inaugural Address, President Bush laid out the principles of liberty and democracy that now lead America into the world. The President set a bold mission for our nation, and to achieve it America needs an equally bold diplomacy, a diplomacy that not only reports on the world that it is but seeks to change the world itself.

We've called this mission transformational diplomacy and define its objective this way: 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.

Let me be clear. Transformational diplomacy is rooted in partnership, not paternalism; in doing things with other people,



not for them. We seek to use America's diplomatic power to help foreign citizens to better their own lives and to build their own nations and to transform their own futures.

Yesterday, I talked about how we are enabling the men and women of the State Department to advance transformational diplomacy. We are forward deploying our people to the cities and countries and regions where they are needed most. We are moving our diplomats from Europe and Washington to critical countries like China and India and South Africa and Indonesia. We are giving more of our people new training and language skills to engage directly with foreign peoples. And we are empowering our diplomats to work more jointly with America's service men and women.

This morning, I want to talk about how we intend to transform our capability to use foreign assistance to meet the challenges of the 21st century. Foreign assistance is an essential component of our transformational diplomacy. In today's world, America's security is linked to the capacity of foreign states to govern justly and effectively. Our foreign assistance must help people get results. The resources we commit must empower developing countries to strengthen security, to consolidate democracy, to increase trade and investment, and to improve the lives of their people. America's foreign assistance must promote responsible sovereignty, not permanent dependency.

Ladies and gentlemen, on September 11th, we were attacked by terrorists who had plotted and trained in a failed state, Afghanistan. Since then, we have cycled tens of thousands of troops through that country, spent billions of dollars and sacrificed precious lives to eliminate the threat and to liberate the brutally repressed people of Afghanistan. But Afghanistan is an example. We know, too, that we must use our foreign assistance in places like Afghanistan not only to complete the job that we have begun there, but to prevent future failed states like Afghanistan was.

Under President Bush's leadership, the United States has embarked on the most ambitious development agenda since the Marshall Plan. We have launched the Millennium Challenge Account and the President's Emergency Relief Plan for AIDS. We have begun an effort to relieve the poorest countries of the crushing burden of debt and we have doubled our overseas development assistance in five years. The men and women of the U.S. Agency for International Development are on the front lines of America's transformational diplomacy. Under the leadership of Andrew Natsios, USAID strengthened its preeminent role in meeting humanitarian needs, whether caused by nature or inflicted by man.

Our USAID personnel are helping foreign citizens in places like Iraq and Afghanistan and Haiti to transform the quality of their lives and the character of their countries. They are serving as compassionate partners to earthquake victims in Pakistan, to storm victims in Central America and to refugees in Darfur. And they are working shoulder to shoulder with citizens in the West Bank to help the Palestinian people realize their historic dream of statehood.

The people of USAID are bringing essential knowledge and resources and skills to distant corners of the earth. They are on the ground across the world, advancing liberty and democracy, security and prosperity, alleviating poverty, often in very dangerous places. Some have made the ultimate sacrifice in the service to our country.

Clearly, the men and women providing American foreign assistance are serving our nation with distinction, but America must get more out of our foreign assistance institutions. After a comprehensive review of our nation's foreign assistance, I have concluded that we must become better organized to meet our overseas development challenges. The authority to allocate foreign assistance is too fragmented among multiple State Department bureaus and offices, and between State and USAID. This makes it more difficult to plan coherently and it can lead to conflicting or redundant efforts.

Multiple lines of authority make accountability more elusive and impede our efforts to integrate our foreign assistance with

our broader foreign policy objectives.

Let me be clear. The current structure of America's foreign assistance risks incoherent policies and ineffective programs and perhaps even wasted resources. We can do better and we must do better. We must align our activities more fully across the State Department and USAID and within the State Department itself. Increasing this alignment will enable us to be better stewards of public resources. We are dedicating record amounts of the American people's money to our international efforts and it is incumbent upon us to spend that money responsibly and effectively. America's taxpayers must know that we are using their hard-earned dollars efficiently and effectively to improve our own security, but also to improve people's lives around the world. Because the American people are a compassionate people. They want a better world. But they want to know that those of us who are stewards of their resources are delivering on that task.

So today, I am announcing several changes to enhance how the State Department and USAID deliver America's foreign assistance. To better align our foreign assistance programs with our foreign policy goals, I am establishing a new leadership position to begin transforming our approach to foreign assistance. This position will be titled the Director of Foreign Assistance and the individual who will hold it will concurrently serve as the Administrator of USAID, reporting directly to me. This will also strengthen the role of the USAID Administrator.

This individual will provide guidance with other agencies to develop and implement a coherent foreign assistance strategy for the United States Government. Operating within existing legal requirements and under my direction, the new Director of Foreign Assistance and Administrator of USAID will have authority over all State Department and USAID foreign assistance. He will direct the creation of policy budgets and program implementation and he will mobilize the foreign assistance expertise of the State Department and USAID, enabling our two agencies to work more efficiently with our many partners across the federal government.

The Director will also provide overall leadership to foreign assistance that is delivered through other agencies and entities of the U.S. Government. He will coordinate our development efforts, for example, with the Office of Global AIDS Coordinator and with the Millennium Challenge Corporation which operates under unique, conditions-based standards for assistance.

This reform will create a more unified and rational leadership structure. It will enhance accountability from both the donors and recipients of assistance. And it will focus our foreign assistance on promoting greater ownership and responsibility on the part of host nations and their citizens.

America needs a dynamic and experienced leader to direct this effort, so I am pleased today to announce that Randall Tobias will serve as our nation's first Director of Foreign Assistance and that President Bush intends to nominate him as the new Administrator of USAID. And I want to welcome Randy and also his wife, Marianne, to the audience. (Applause.)

Randy has a long history of success in leading significant organizational changes, first as the Chairman and CEO of AT&T International and then as the Chairman, President and CEO of Eli Lilly and Company. A little over two years ago, President Bush asked Randy to launch and lead his historic and highly successful Emergency Plan for AIDS Relief. This new program consolidated under Randy's leadership the many disparate agencies and entities of the U.S. Government that implement international HIV/AIDS assistance. Throughout all of his previous leadership positions, Randy has guided organizations through immense challenges and I am pleased that he will now bring his experience to

bear on the organizational challenges of American foreign assistance.

In his role as the Director of Foreign Assistance, Randy will initially manage this new institutional framework with a team that will be assembled from State and USAID, individuals who currently perform foreign assistance policy and planning and budgeting for their respective agencies. The success of this new office requires a stronger partnership between the State Department and USAID, so we will create a new exchange program between our agencies, allowing our employees to gain greater experience working together. We will also create several new advanced training courses at the Foreign Service Institute. These classes will better prepare our diplomats to manage complicated foreign assistance programs and to think more creatively about the integration between development, diplomacy, democracy and security.

The changes we are making today will improve the way we use foreign assistance to bolster American foreign policy and national security, and as importantly, will make us more effective in strengthening responsible governments and improving people's lives.

In the coming weeks and months, I am eager to begin a dialogue, too, with our Congress about how we can work together to improve America's foreign assistance even further. We will have made the changes here in the Department and in the Executive Branch that will help us to do that, and in particular I would like to discuss how we can respond more quickly and effectively to the development needs of weak and poorly governed states. We will need our congressional partners in that work, and Senator Lugar, I'll be giving you a call.

With that, and with the hopes for a more effective, a more efficient foreign assistance program, but one that speaks to America's true values of the promotion of democracy and good governance, and to the compassion of the American people to make the lives of people around the world better, I would like to invite Randy Tobias to say a few words. Thank you very much. (Applause.)

AMBASSADOR TOBIAS: Madame Secretary, thank you very much. Nearly 60 years ago, one of your predecessors, Secretary George Marshall, reminded us that without freedom and prosperity there can be no political stability and no assured peace. United States foreign assistance has long been focused on building the tools for democratic participation, creating the conditions for economic growth, providing for health and education, and addressing security concerns in developing nations, while at the same time responding to humanitarian disasters.

But as President Bush has said, true development requires far-reaching, fundamental changes in governance and institutions, human capacity and economic structure, so that countries can sustain further economic and social progress without permanently depending on foreign aid.

Under the Secretary's leadership, the United States seeks now to reform its organization, planning and implementation of foreign assistance in order to achieve these development objectives. We will do this, in part, by better leveraging the strengths and the contributions of our foreign assistance institutions toward the accomplishment of these shared goals. A fundamental purpose of this reform is, in the end, to better ensure that we are providing both the necessary tools and the right incentives for host governments to secure the conditions necessary for their citizens to achieve their full human potential.

The goals of the United States to promote democracy and good governance are not distinct from the moral obligations

that we strongly embrace. Rather, the new leadership structure that the Secretary has announced today recognizes those links and will build on them to realize a hopeful, prosperous and peaceful future for all citizens of the global community.

Two and a half years ago, I came to Washington with great enthusiasm and hope for what I believed the United States could accomplish in the fight against HIV/AIDS. And I have now seen firsthand the enormous progress that can result when the people and the agencies of the United States Government focus their strengths and their capabilities toward a common cause.

If confirmed, I look forward with optimism to working with you, Madame Secretary, with the Congress, with the men and women of the Department of State and USAID, and with the rest of the foreign assistance community as together we reenergize, reengineer and refocus our commitment to achieving our foreign assistance goals.

Thank you very much, Madame Secretary, for the opportunity to be a part of this effort. (Applause.) ### 2006/65

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