

Remarks At the U.S. Agency for International Development On Foreign Assistance Question and Answer Session

Secretary Condoleezza Rice Washington, DC January 19, 2006

Opening Remarks by Secretary Rice | Fact Sheet: New Direction for U.S. Foreign Assistance

(3:30 p.m. EST)

SECRETARY RICE: Okay, let's tee up some questions. Who's going to go first? Oh, come on. I know it's big room, but I see somebody right over in the middle over here. Fred's right though. I can barely see.

QUESTION: Can everyone hear me? I am asked to give my name and office so I can't be too anonymous in the question. My name is Brant Silvers. I work for the Africa Bureau in the program office, and first I would like to say thank you very much for coming here and talking to us directly. We appreciate that. And also I'm very happy that Randall Tobias is going to be Administrator, pending confirmation.

But my question was a little more specifics on how Office of Global AIDS Coordinator and MCC are going to be under this development, the new structure, and how that might work.

SECRETARY RICE: Well, thank you. It's a very good question. Let me be very clear. The U.S. AIDS Global Coordinator continues to report directly to me as Secretary of State. The MCC CEO continues to report, of course, to the Board of the Millennium Challenge Corporation, of which I am Chair. But what we hope is that through greater interaction, discussion among these organizations which are independent and maintain their independent character, that we can start to get some synergies between what is being done in the MCC, what is being done in AIDS and our development assistance.

Let me give you an example. MCC operates on a very clear set of indicators and criteria that are developed in legislation

and that are carried out in really a quite rigorous way by the MCC staff when they are choosing countries that are eligible and when they are developing compacts with those countries. But one of the things that MCC has tried to do is to be very cognizant of the fact that you are really creating a compact with a country. This is not the United States alone. You sit down with a country, you sit down with the nongovernmental organizations in the country, and you create a compact to, as we will do in some places, do work in agricultural development or pipeline development in Georgia. And once that is done, then you deliver the assistance.

But many times at the MCC Board meetings, people have expressed the wish that when we're doing that we can also see what else would enhance the capability and enhance the effectiveness of that MCC compact. What if we were looking also to see if in the same country work that USAID might be able to do in capacity building would make that compact even more effective? What if we were able to look in a country where we have an AIDS program, like Mozambique, and say, you know, really, the health care system is also a huge problem, the health delivery system. What can we do with our USAID funding to enhance that capability?

So we think we'll get better synergy between our programs. We think we will get better alignment between our programs. But those two organizations remain independent. Their heads remain reporting to me directly. But we do expect that the kind of guidance that the Director for Foreign Assistance can give will help us to make sure that we're using all of our resources pulling in the same direction.

Yeah, I think somebody over on the side here.

QUESTION: Is it on now?

SECRETARY RICE: Yes.

QUESTION: My name is Laura Wilson and I work with Legislative Affairs at USAID and I also want to echo Brant's sentiments to say thank you for coming to speak with us directly this afternoon.

I read the fact sheet that the State Department has issued related to the reforms associated with this announcement, and forgive me if I'm paraphrasing this incorrectly, but one of the elements that you stated or your office -- officer stated is that you'd like to see the role of Foreign Service Officers expanded to include some sort of implementing role when it comes to education and programs overseas. And to me that seems remarkably similar to what the Foreign Service at USAID does. And you also stated in this statement that there will be training associated with the kind of role that these Foreign Service Officers would now be undertaking. I wonder if you could explain that a little bit -- the overlap that might seen really clear to the folks at AID and maybe a bit threatening at the same time.

SECRETARY RICE: Well, I hope it won't be threatening because there's plenty of work for everybody to do. And one of the reasons that I've been anxious to have a strengthened USAID is that you are our primary delivery mechanism for hands-on assistance in training people, in education, in democracy promotion and so forth. And I think we will continue to see USAID play that role and hopefully play that role in even a stronger way, in a more coordinated way.

But it is also the case that Foreign Service Officers in the field, our people in the embassies, are engaged in a different kind of work than they had been engaged in in the past. If I go to our embassy in Kyrgyzstan, as I recently did, they

are working directly with people on educational programs, they are working directly with people on democracy promotion programs. And I think we have to recognize the changing nature of what our diplomats do. Our diplomats, of course, continue to report on the policies of a country, of course continue to try and influence governments, but they also engage the citizenry much more directly. If you go out to Baghdad and you go to some of the ministries, you will see that we have people working there to try to help the ministries become more capable.

So I don't see these roles as by any means redundant or competitive. I think that there is a lot of work to do. USAID has a long history of being able to deliver program. I would hope that USAID will have -- we will be able to rebuild -- I know it's one of the things Andrew was worried about -- be able to rebuild from the technical expertise that had once resided in USAID. I think that would be a very important thing to do.

The truth of the matter is that across our diplomatic and Foreign Service and USAID corps, we're going to be engaging people more in a hands-on fashion to try to help them transform their lives. And I want Foreign Service Officers to be well trained if that's what they're going to do.

QUESTION: To follow my fellow Presidential Management Fellows, I would like to ask you, also related to the fact sheet that Laura referred to, one of the statements was the development director/coordinator/assistant secretary will be also overseeing all foreign assistance at State as well as AID. And I was wondering how much of that does -- how much of those funds will then be determined by this Director, especially with DRL and IO and all the other -- and the regional bureaus, ESF as well.

SECRETARY RICE: Well, you've asked the \$64 million question -- (laughter) -- because we've concentrated a lot on what this will mean for USAID, but this is going to mean a change for State, too, in the way that we think about the alignment of the resources. When I spoke earlier to the senior management at the State Department, I said we were going to have to stop thinking of resources as "mine" and think of the resources as "ours." And we simply have to be able to put together a coherent picture of how we're going to address the needs of a particular country functionally in terms of what it needs. You know, if we decide that the core problem in a country is corruption or energy dependence or the lack of women's education, whatever we decide that is, I would hope that this person now can look at all the resources that we've got and say now we're going to mobilize the resources to do this in that country.

Because I'm fearful that what we have is such fragmentation that it's not that we're not doing a lot of good things, but I can't certify to you that some of them aren't redundant, I can't certify to you that there aren't gaps that we're not actually meeting. And by having somebody who is responsible to me to have a coherent picture of what we're doing with all of our resources, I really do believe that we will spend our resources better and will do a better job of meeting those key needs of a particular country.

And as I said in answer to the person who asked about -- the man who asked about MCC and U.S. -- and the Global AIDS Coordinator, it's not that we won't continue to have specific programs that are really tailored to do specific things and we work with Congress. Congress has interest in specific kinds of programs to do specific things. But when we're running a specific program in a country, we ought to know what effect other things that we are doing in that country will have on the effectiveness of a particular program.

And so yes, it will change the way that we do things at the State Department. Yes, those accounts will now be subject to the direction of the Director for Foreign Assistance. Ultimately, this is going to be a very collaborative process, but there is

no sense in which we have -- and you, many of you, some of you, have worked with Randy Tobias and people know him to be somebody who is a team builder and collaborative in his work. It's not dictating we're going to do this or we're going to do that. It's saying here's how -- what we want to do, and now how do we mobilize our resources to do that.

So yes, those State Department accounts are now going to be subject to that direction. And of course, ultimately this is within our legal authorities but it all, of course, reports then ultimately to me. And I will feel that when I go to the Congress to argue for resources that I have a much better sense of what are we really spending on democracy promotion, what are we really spending on capacity building for women's education. Because right now, it's scattered over so many different places that it's really very hard to get a coherent picture.

QUESTION: Hi, Madame Secretary. My name is Susan Fine. I work in the Asia and Near East Bureau and, actually, I have the somewhat unfortunate job recently of sending out budgets to our countries in Asia and the Middle East. And there are two things that I would like to ask you about. One is with regard to our programs, I appreciate your sentiment that development and capacity building is important, not just in the countries that are very critical to our strategic -- our security interests but also those other countries. However, if you look at the budgets that we have given to those countries, that's not going to be apparent to many of the countries in which we work. It's going to look like we are placing a tremendous emphasis on places like Afghanistan and Sudan and Iraq and not very much emphasis on some of those other countries.

So I guess one question is how do you think that we can make the case to the Congress and to the American public to increase resources for development?

And the other thing related to this is our resources for our operating expenses. I think part of the reason that our agency is suffering and has had difficulty in providing the technical leadership that we used to provide is because we don't have the resources to support personnel, particularly overseas. And I think that it's wonderful that you're going to reallocate State Department diplomats to some of the countries that -- in which we work, but I think that it will also be important to make sure that we can continue to have a strong core of foreign -- USAID Foreign Service Officers in those countries. So I'd like to know whether you would be supportive of that.

And thank you very much.

SECRETARY RICE: Thank you. Well, on the second question -- (applause). On the second question, it's a question Andrew and I have talked a great deal about the desire to actually be able to increase our presence in important places. And by important, I mean places that are emerging, not just places that we tend to think of a "strategic." And I'm perfectly willing and ready to ask for more support on the operating side.

Now, I think we have to recognize that we have had increases over these years and I think we are going to have to be able to defend what we are doing with those increases. And I would defend it in the following way.

First of all, yes, it is true that we are spending a good deal of our resources in Afghanistan, Iraq, Sudan, places like that. But the reality is that unless we do get Afghanistan right and make certain that it's never a place from which terrorism can flow again, unless we get Iraq right and create and help the Iraqis create in the middle of the Arab world an anchor for a different kind of Middle East, the truth of the matter is that American people are going to be fighting terrorists and fearful

of terrorists for a very, very long time to come. And I will absolutely defend the obligation of the Administration to make certain that we spend the resources to get the big cases that we've undertaken in Afghanistan and Iraq right. We simply have to do it.

But I think it would be wrong to suggest that we have not also increased development assistance more broadly; development assistance in Africa has tripled in this period of time. That was not the case before this President became President. And it's through the Millennium Challenge and it's through AIDS help and it's also through partnering with important states to help them build capacity. It's also the case that we have done a great deal in debt relief, which is an important element of development system.

So I think we have a fine record in terms of the development assistance -- that is assistance that is not linked to the big strategic issues that we all think of when we talk about Afghanistan or Iraq. And I also think that separating somehow strategic interests from development is not exactly the way that I think about it. The truth of the matter is that we need well-governed states that are democratic and capable of meeting their people's needs across the world, not just in a few places.

We will have to make better use of our resources in order to do that. And one never knows, by the way, where the next ungoverned state becomes a problem for your security. So I don't think you can make that distinction between strategic and development.

America's also, of course, a compassionate country and we have spent a great deal of money and we will continue to on the humanitarian side. You know, the President has always said, for instance, that on food aid, we are never going to use food as a weapon. And so it's ironic that at one point the United States was the largest donor of food aid to places like North Korea -- at one point, to the Taliban, because we're always going to carry out our humanitarian obligations. And, of course, when there's a disaster in the world, whether it's the tsunami or the floods or storms in Central America, America is there. So we have a broad and well-rounded development assistance and foreign assistance program. Yes, we're spending a lot on Afghanistan and Iraq and we've got to do that and get it right because our security depends on it.

But our security and our sense of ourselves as a compassion people also depends on a network of well-governed states that can help their people. And if you look at the MCC, its criteria are not (inaudible) strategic to the United States. I don't think anybody would argue that Cape Verde or Madagascar aren't strategic to the United States in the sense of one thinks about Afghanistan or Iraq. But what they are is states that are developing as well-governed democratic states that can deliver for their people, and so that is an important criteria for us as well. And, yes, we'll fight for every dollar we can get. But I hope that with the changes that we've made we can also defend that we're spending it well.

Let's see, I think there's somebody right in the middle here, if I can see. The mike's not on.

QUESTION: Thank you very much for coming, Madame Secretary. Two quick questions: one, I wanted to follow up on Maria's question. I realize that a lot of the organization with this new position at the State Department will bring USAID programs and State Department programs closer together. One of the major coordination problems, though, however is often with other agencies of the U.S. Government. So I'm wondering is a follow-on step to this some type of an umbrella position, which will incorporate overseas programs that work in development that also would make sense to rationalize or harmonize based on your leadership?

And then the second question I wanted to ask was -- well, actually I'll leave it with that.

SECRETARY RICE: All right, thank you. You are right that we -- of course, it's the government, not just State and USAID are delivers of development assistance and foreign assistance. And particularly when we're trying to put together a program for a state to try to make it better governed.

I have talked to a lot of my Cabinet colleagues and everybody understands that U.S. Government resources need to be pulling in the same direction. And I think that they will look to our leadership to develop guidelines and to develop strategic direction about what we're trying to do in a particular country, or what we're trying to do in a particular region, and how the resources of other department's labor programs that Elaine Chao has or Justice programs that the FBI or the Justice Department has or that the very big work that Defense does in some places, how all of these resources can come together to have a coherent plan for a country or for a region that is consistent with America's foreign policy goals and I think they will look to us.

It is true that about 80 percent of the assistance is in State and USAID, so once we've done a better job of coherence there, I think we will have a base from which to work. But by all means, we need better coordination across the government. And in talking to my Cabinet colleagues, they're very excited about the idea of being able to contribute the programs that they have to that overall strategy for a given country or for a given region. And I think this person and also we already have Under Secretary Josette Sheeran Shiner works with the Trade, with USTR, works with the international development banks, you know, how does that fit into the picture of what we're doing. And so you've underscored something very important, which is that this needs to be a U.S. Government effort and I think we will make it a U.S. Government effort.

We've got a lot of work to do between USAID and State but we also have a lot of work to do with our colleagues around the government.

QUESTION: Thank you. My name is Vicki Moore and I've recently returned from serving as the mission director in Uganda. My question is somewhat about the, I guess the staffing and how we're going to be doing this whole thing.

I think I should maybe just premise my comments and question with saying that I think that a number of us here are very concerned that USAID not become just an implementing agency. I think we have a long and very proud tradition of putting together policies and programs in a strategic way. And I think many of us are very proud of the fact that we see ourselves as development professionals and we see that expertise as hard won through a lot of experience and studies and things that we have done over a number of years.

So my question to you is how is it -- we've read that the planning -- there will be a planning unit over at State Department that the position that Ambassador Tobias has been nominated for. And I'd like to know how we can feel confident that our agency's expertise and concern in terms of policymaking and planning will be a part of this process and a very serious part of the process?

Thank you. (Applause.)

SECRETARY RICE: Well, not only do you have a long history of expertise in development and in strategic direction

and planning, but you have done that very well. In some ways, I think that many times USAID has had a more strategic approach to the way that it's dealt with assistance than has the State Department. And I'll tell you that that's my impression. You've done one-year plans. You've done five-year plans. The mission directors have been told that they need to think in longer terms. You did a new fragile states approach. And so I think it's absolutely right that USAID will bring a lot of strength to this process and this planning office, by the way, will be USAID people and State people. And I would hope that the strength that USAID has in this ability to plan, the ability to think strategically, the development expertise that is there will strengthen what we do at State as well as what State does being brought to what USAID does.

But you have to understand that by making the USAID coordinator the key person here, I think we're recognizing the critical function that USAID plays. I think we're recognizing the critical expertise that USAID brings to the foreign assistance and development business. And I think we're marrying it with the need to understand better the kind of expertise that State brings to foreign policy goals and also to goals about good governance and the like.

Now, USAID has been involved in democracy promotion. You've been involved in trying to help the states become better governing. So this is expertise that will be used and will be a part of the new organization because the planning people are going to come from both sides.

We do need to recognize that the question that everyone asks of me when I go to the Hill or when, you know, you go out into America, is are we really achieving the goals that we have set out? Are we actually seeing countries become more capable? Are we seeing them develop to the point that they will become self-sustaining? Or are we not attentive enough to their capability, to their capacity that we are going to be in this business forever and forever and forever because these states are never going to become better governing?

We have to have an answer to that question and it's why the capacity building piece of this, using our assistance to, by all means, change people's lives and to help people's lives, but also to help develop well-governed states is really important and, frankly, for both us, for USAID and for State that has to be a central mission. And I think we will bring different strengths and different expertise to it, but it's always better to have expertise from a wide variety rather than from a narrow experiential base.

The lady in pink, right here. She's behind you.

QUESTION: Hi. This is kind of a follow on to Vicky's question. My name is Ellen Leddy and I work for the Latin American Caribbean Bureau. What advice do you have for Ambassador Tobias as he tries to align the shorter term prospective of the State Department and the longer term perspective of USAID?

SECRETARY RICE: Well, first of all, I hope the State Department doesn't have a short term perspective. (Laughter.) We can't afford to. The President has talked about ending tyranny and having a democratic Middle East and well governed states in Africa, in Latin America and Asia and democratic states. If we have a short term perspective we're going to fail. This is a generational struggle that we're in. And if the State Department has a short term perspective, then we better get out of it real fast, because what we're obligated to do in our time here, in my time here, the three years that I will presumably be Secretary of State, hopefully, although remember I'm still tenured at Stanford. (Laughter.) The time that we are here we can only do one thing and that's lay a foundation for the kind of world that we want to see.

We were confronted on September 11th with the realization that the kind of balance of power between states, the fact that big powers no longer really fight each other, was actually not good enough for our security, because this ill-governed, almost not-at-all governed, state called Afghanistan became a terrorist haven in a place where women were abused and people had no freedoms. And that terrorist haven led to the worst attack on our territory ever.

And when that happened we had to ask ourselves whether we were going to make a temporary change in the world, maybe try to make it better in terms of capturing some al-Qaida and maybe try to make it better in terms of making the United States more secure through Homeland Security or whether or not we were going to try to make -- lay the foundation for a more permanent peace. And a more permanent peace comes from the spread of democratic values, well-governed democratic states where the consent of the governed is the basis for governing, where women are full partners in the political and economic enterprise, where people can educate their children -- girls and boys, where they have reasonable expectations of health care.

That's the world of well-governed democratic states. And when we decided and took on that challenge, we couldn't take it on as a short term challenge or we will most surely fail. And so what I would say to Ambassador Tobias is that it isn't the long-term perspective of USAID that needs to change. If you think there's a short-term perspective at State, maybe that had better change.

I said, when I came in, you know, I stand in this room -- in 1949, I don't think that the people who signed the NATO Treaty thought that when the American Secretary of State, some 60 years later went to a NATO meeting, she would be sitting next to the Foreign Minister of Poland or the Foreign Minister of Lithuania. It must have seemed quite far-fetched. But they didn't have a short-term perspective. The Marshall Plan didn't have a short-term perspective. And so I know that it takes a long time to build states that are well governed. I know it takes a long time to repair tattered health care delivery systems and to fight the scourge of AIDS and all of those things. I know that it takes a long time. But this is a generational project that we're in anyway.

And so I would hope that the alignment would come not from Randy Tobias having to somehow push one of the other organizations, but from a recognition that when the President set our agenda, he set it on a long term calendar, not a short term.

I think maybe one last question. Yes.

QUESTION: My name is Noreen O'Meara. I work in the Donor Coordination Office. And I'm wondering, given that we do need to use resources more effectively, do you envision any cost savings and perhaps streamlining of reporting from the system's integration that will have to support knowing what we're spending in each country and what we're achieving in each country?

SECRETARY RICE: Well, look, it would be a fantastic outcome if we were able to save resources and reinvest those resources in more program and in more people and in more capability to deliver. I think that would be a terrific outcome.

I can't answer the question because I don't think we yet have a system that even tells us about redundancies and about whether things are pulling in the same direction. I'm looking at Henrietta Fore down here, the Under Secretary

for Management. And I know she's been working with her USAID colleagues and their management counsel to look at ways that we can bring together some of our processes and our backroom support and things that might help us to take advantage of synergies that might develop.

It's not the -- saving money is not the principal reason for doing this. The principal reason for doing this -- and I think it will give us a more effective program to do what we need to do. But my goodness, if we could save American taxpayers' dollars to be reinvested in foreign assistance and in -- somebody mentioned more operations so we could have more people, so our people could be better trained, that would be a terrific outcome. And I think we have to look for whether or not we can achieve some of those synergies by looking more closely at what we're doing and at better aligning our priorities.

Thank you very much. I just want to say that I think this is going to be a very important period of time. I need your help. I need your full dedication to this effort. I am certain that I'm going to get it because I know how dedicated the men and women are in this room, and I know that you, too, want the best for what's -- the best for our foreign assistance programs, the best for those who receive our aid and the best for America.

Thank you very much.

(Applause.)

2006/72





Updates | Frequent Questions | Contact Us | Email this Page | Subject Index | Search

The Office of Electronic Information, Bureau of Public Affairs, manages this site as a portal for information from the U.S. State Department. External links to other Internet sites should not be construed as an endorsement of the views or privacy policies contained therein.

About state.gov | Privacy Notice | FOIA | Copyright Information | Other U.S. Government Information